THE DEPUTY CHAIRMAN: There is no need to be agitated. It is better if a Member has an objection, he is also satisfied. (*Interruptions*)...

SHIR S. JAIPAL REDDY (Andhra Pradesh): Madam, Shri Jagesh Desai, as a senior Member, should not have raised this objection at all. (*Interruptions*)...

THE DEPUTY CHAIRMAN: It is quite possible that Mr. Jagesh Desai did not understand it. That is why he has raised it. There is no need to get agitated on every issue. (*Interruptions*)..

श्री सुन्दर सिंह भंडारी: फाइनांस मिनिस्टर मौजूद हैं वह इसको एनाउंस कर दें...(व्यवधान) अगर कोई कठिनाई अनुभव हो रही है तो हाउस को बता दें तो ज्यादा फायदा हो।

उपसभापति: अभी हम लोगों को कालिंग अटेंशन लेना है, उसकी बातें तो पहले सुन लें। Now, we will take up the Calling Attention Motion. Shri Gurudas Das Gupta.

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

To Follow-up Action on the Report of the J.P.C. on Irregularities in Securities and Banking Transactions

SHRI GURUDAS DAS GUPTA (West Bengal): Madam, I call the attention of the Minister of Finance to the follow-up action in the light of the recommendations and findings of the Joint Parliamentary Committee which enquired into the irregularities in the securities and banking transactions.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Madam, The Joint Parliamentary Committee which was constituted on 7th August, 1992 presented its report to the Parliament on 21.12.1993.

The report was discussed in both Houses of Parliament on 29th and 30th December, 1993. I had assured the Houses that in the course of the next three months, item by item response of the Government and action taken or proposed to be taken on the recommendations of the JPC would be presented before both Houses of Parliament.

Immediately after the presentation of the Report, I initiated steps to process the 273 recommendations/observations/ conclusions of the Committee. I am pleased to inform the House that there has been good progress in compilation of the Action Taken Report. However the work was voluminous and time consuming, as it involves consultation with several Ministries, and this was also the period when the Finance Ministry is heavily preoccupied with work relating to the Budget. For these reasons it has not been possible to complete the work within the stipulated period of three months. The Rajya Sabha Secretariat was, therefore, requested on 29th March, 1994 and 7th April, 1994 to move the Committee on Government Assurances to grant time upto 30th June, 1994 for presentation of the Action Taken Report.

I am pleased to inform the House that the Action Taken Report shall be presented to this House by 30th June, 1994.

SHRI S. JAIPAL REDDY (Andhra Pradesh): Madam, I am on a point of order. We have called the attention of the Finance Minister. Do you think that this is a statement which any Minister could make on a subject-matter of any kind? Is there anything in this? He is asking for three month's time. (*Interruptions*).....

THE DEPUTY CHAIRMAN: Yes, that is what is stated in the statement. (*Interruptions*).....

SHRI S. JAIPAL REDDY: If you want to join issue, we are prepared to do that. I am trying to present my viewpoint. (*interruptions*). Madam, 273 recommendations / observations / conclusions have been made by the JPC. Out of them, 10 might have been acted upon. Why did he do not refer to those

[Shri S. Jaipal Reddy]

10? Why is he blacking out the whole thing? How can we discuss it in a vaccum? Madam, this kind of response from the Minister has no parallel, or precedent, in the history of the Indian Parliament. How do we go ahead? *(interruptions)*.

SHRIMATI JAYANTHI NATARAJAN (Tamil Nadu): Madam, I also have a point of order. *(interruptions)*.

THE DEPUTY CHAIRMAN: Please. *(interruptions)*. On the basis of this statement and on the basis of your objections, I wanted to find it out from the Secretariat. The Finance Minister wrote a letter to the House and asked for extension of time from the Assurances Committee. I wanted to find out, what is the status of that and whether time is being given or not. *(interruptions)*.

SHRI S. JAIPAL REDDY: The Minister is obliged to tell the House to what extent progress has been made. *(interruptions)*.

THE DEPUTY CHAIRMAN: Let me find out. *(interruptions)*. I will identify everybody. *(interruptions)*.

SHRIMATI JAYANTHI NATARAJAN: My point of order is directly in response to the matter which Mr. Jaipal Reddy has raised. My point of order is like this. The JPC was appointed after the House was plunged into an uproar for more than two sessions. Before the JPC, during the JPC and after the JPC, Madam, continuously, day after day after day, the time of the House was wasted by them by raising these objections. *(interruptions)*. This is my opinion.

THE DEPUTY CHAIRMAN: It is her opinion. *(interruptions)*. It is her right. *(interruptions)*.

SHRI M.A. BABY (Kerala): Madam, she is casting aspersions on the functioning of this House. *(interruptions)*.

SHRIMATI JAYANTI NATARAJAN: I am casting aspersions on the motives of the people who have wasted the time of the House. My point of order is very simple. Madam, they have unnecessarily raised this issue again just because they want to ...*(interruptions)*. I charge the Opposition ....*(interruptions)*.

THE DEPUTY CHAIRMAN: Order, please. *(interruptions)*. Please one minute.*(interruptions)*. Please sit down. *(interruptions)*.

SHRI GURUDAS DAS GUPTA: Madam, ...*(interruptions)*.

THE DEPUTY CHAIRMAN: Mr. Gurudas Das Gupta, your name is there. I will allow you. But the thing is this. Mr. S. Jaipal Reddy raised a point of order. If somebody wants to raise a point of order—Mr. Mathur also wants to raise a point of order—it is the duty of the Chair to allow it. You agree or you don't agree and I agree or I don't agree, that is irrelevent. *(interruptions)*.

SHRI SATYA PRAKASH MALAVIYA (Uttar Pradesh): Madam, she is not entitled to make charges against the Opposition. You should not allow her. *(interruptions)*.

THE DEPUTY CHAIRMAN: It is for me to allow it or disallow it. I have not heard her fully.

SHRI SATYA PRAKASH MALAVIYA: Madam, I am just trying to draw your attention.

THE DEPUTY CHAIRMAN: I am thankful to you.

SHRI SATYA PRAKASH MALAVIYA: She is not entitled to charge the Opposition.

THE DEPUTY CHAIRMAN: It is very nice of you to bring it to my notice. Until and unless I hear the point, I cannot disallow that. I did not disallow his point of order. After hearing him peacefully, I inquired from

the Secretariat, "What is the status of the letter which the Finance Minister wrote to the Chairman of the Assurances Committee and to the House?" I have to inquire into it and satisfy the Members.

SHRIMATI JAYANTHI NATARAJAN: Madam, my point of order is very simple. I am only saying that this Calling Attention Motion itself is premature. This Calling Attention Motion is premature because, as is mentioned in the Statement, the Finance Minister had asked for further time because they were not able to finish it for reasons which he has set out in the statement. Then that is a matter which we have to accept. It would be an insult to this House if he brings piecemeal recommendations and says, "I have done two, I have done three and a half." Mr. Satya Prakash Malaviya is saying that I am charging the Opposition. Yes, You are getting up here and charging the Government. I am getting up here to say that you have brought this Calling Attention Motion just to keep this on the Agenda ...*(Interruptions)*.

SHRI GURUDAS DAS GUPTA: Under what rule is she speaking?

THE DEPUTY CHAIRMAN: Under the same rule as everybody else speaks without my permission...*(Interruptions)*

SHRI S. JAIPAL REDDY: We had given a notice to the Chairman. And the Chairman, in his wisdom, has admitted the Motion....*(Interruptions)* Is she imputing motives to the Chairman ...*(Interruptions)*

SHRIMATI JAYANTHI NATARAJAN: Of course, not. Why should I? *(Interruptions)*

SHRI S. JAIPAL REDDY: The Motion has been admitted by the Chairman...*(Interruptions)*

THE DEPUTY CHAIRMAN: I want to go ahead with the work ...*(interruptions)* Please, order. As the Chairman has directed, we are going ahead with the Calling Attention Motion ...*(Interruptions)* What is your point, Mathur Saheb? ...*(Interruptions)*

SHRIMATI JAYANTHI NATARAJAN: Therefore, the statement will not contain anything else ...*(Interruptions)*

SHRIMATI SUSHMA SWARAJ (Haryana): Madam, is she the Finance Minister ...*(Interruptions)* How do you know what the statement contains? *(Interruptions)*

SHRIMATI JAYANTHI NATARAJAN: Go and shut up Uma Bharati.

Don't shut me up ...*(Interruptions)*

THE DEPUTY CHAIRMAN: Yes, Mathur Saheb ...*(Interruptions)*

श्री जगदीश प्रसाद माथुर (उत्तर प्रदेश): मैडम, उनको तो बैठाइए। वह तो खड़ी हुई है। ..**(व्यवधान)**.. वह तो नीम के पेड़ की तरह हमेशा खड़ी रहती है। ...**(व्यवधान)**...

उपसभापति: बैठने के बाद भी चुप हो जाइए तो बेहतर है। ...**(व्यवधान)**...

श्री जगदीश प्रसाद माथुर: महोदय, मैं वित्त मंत्री महोदय की एक होशियारी की तरफ ध्यान दिलाना चाहता हूं।

उपसभापति: आपका बोलने का टाइम आएगा तब बोलिएगा।

श्री जगदीश प्रसाद माथुर: मैडम, मैं उसी पर बोल रहा हूं।

उपसभापति: नहीं, अभी आपका टाइम नहीं आया है। ...**(व्यवधान)**...आप किस रूल के तहत बोल रहे हैं?

श्री जगदीश प्रसाद माथुर: आपने उनसे तो नहीं पूछा रूल। हां, मैं रूल बता रहा हूं।

उपसभापति: क्या आप पाइंट आफ आर्डर बोल रहे हैं?

श्री जगदीश प्रसाद माथुर: हां, पाइंट आफ आर्डर बोल रहा हूं।

उपसभापति: ठीक है। आप पहले बोलिए कि पाइंट आफ आर्डर पर बोल रहा हूं।

श्री जगदीश प्रसाद माथुर: ज्वायंट कमेटी का ऐसा

[श्री जगदीश प्रसाद माथुर]

है ...(व्यवधान)...वह नीम के पेड़ की तरह खड़ी रहती है। पहले उन्हें बैठाइए। ...(व्यवधान)...

DR. BIPLAB DASGUPTA (West Bengal): Madam, you did not ask her the same thing ...*(Interruptions)*

SHRIMATI JAYANTHI NATARAJAN: She allowed Mr. Jaipal Reddy. Therefore, she allowed me ...*(Interruptions)*

DR. BIPLAB DASGUPTA: Can she speak for any length of time? *(Interruptions)*

THE DEPUTY CHAIRMAN: I allowed Mr. Jaipal Reddy. Perhaps, you were not there in the House ...*(Interruptions)* Under the same rule when Mr. Jaipal Reddy was allowed to speak ...*(Interruptions)* The same rule under which you are speaking ...*(Interruptions)* Don't get agitated ...*(Interruptions)* I said, please keep quiet ...*(Interruptions)* Can you hear me? Don't get up and speak.

श्री जगदीश प्रसाद माथुर: मैडम, सदन की ज्वायंट कमेटी की रिपोर्ट का हवाला कभी भी एसोरेन्स कमेटी को जाता नहीं। एसोरेन्स कमेटी को वह प्रश्न जाते हैं, जो सदन में किसी प्रकार खड़े होते हों। कभी भी कमेटी की रिपोर्ट का जो फालोअप एक्शन है, उसके लिए बहाना बनाना गलत है। उनका रेफरेन्स एसोरेन्स कमेटी के लिए असंवैधानिक है, कानून के खिलाफ है। मैं वित्त मंत्री महोदय से कहना चाहूंगा कि जो उन्होंने हवाला दिया है कि एसोरेन्स कमेटी से टाइम मांगा है, वह अनुचित है। सदन के सामने रिपोर्ट आ चुकी है, दोनों पटल पर रखी जा चुकी है और सदन का अधिकार है कि वह पूछे कि आपने क्या किया है। इसलिए एसोरेन्स कमेटी के परव्यू में नहीं आता।

It does not come under the purview of Assurances.

यदि आप इस बात को मानें कि एसोरेन्स कमेटी के सामने है तो इनका उदाहरण ठीक होगा कि जो कमेटी के सामने विषय हो उसको डिसकस नहीं कर सकते, लेकिन जो आपने, चेयर मेन साहब ने एलाऊ किया है, वह ठीक ही किया है क्योंकि वह एसोरेन्स कमेटी का विषय ही नहीं है।

SHRI JAGESH DESAI (Maharashtra): Madam Deputy Chairman, I totally disagree with what Mr. Mathur has said ...*(Interruptions)*

SHRIMATI JAYANTHI NATARAJAN: He does not know the rules.

SHRI JAGESH DESAI: Now, why has this happened? It is because the Finance Minister, while responding to the discussion, said that he would come out with a report within three months covering all the issues that have been indicated in the JPC Report. Now, three months have passed and that is why my good friend, Mr. Gurudas Das Gupta, was worried as to why the Government had still not come with an Action Taken Report. Incidentally, I happened to be the Chairman of the Committee on Assurances. It is the duty of the Committee on Assurances to see to it that any assurances which are given are fulfilled within the time-frame ...*(Interruptions)*

THE DEPUTY CHAIRMAN: Mr. Mathur, I allowed you with a complete silence in the House. Please allow Mr. Jagesh Desai with the same courtesy.

SHRI JAGESH DESAI: It is also the duty of the Committee on Assurances to pursue it with the concerned Ministry and its officials if at all a time-frame was given. So, an officer of the Rajya Sabha Secretariat, who is put in charge of the Committee, write to the concerned officials and even call them. Unfortunately, the Committee has not taken cognisance of the assurance given by the Finance Minister. But the Finance Minister himself volunteered to seek extension of time for the reasons mentioned in the statement. He mentioned the difficulties and asked for extension of time up to 30th June, 1994. I don't know whether the Committee on Government Assurances responded to the two letters written by the Finance Ministry. I am of the opinion that the Committee on Government Assurances should have called for the Action Taken

Report. It should have called the Ministry to satisfy it of the reasons for granting extension of the time. It should have told the Ministry that it is not going to extend the time if it is not satisfied of the reasons. It has failed in that duty. Now, Mathurji says that it is not concerned with this. It is a matter concerning the Committee on Government Assurances.

श्री चतुरानन मिश्र (बिहार): उपसभापति महोदया, जब एक बार चेयरमैन ने इसको एक्सेप्ट कर लिया, तब इसको इस तरह से चैलेंज करना अनुचित लगता है, यह नियम नहीं होना चाहिए।

उप सभापति: कोई चैलेज नहीं कर रहा है।

SHRI S. JAIPAL REDDY: The Finance Minister himself has challenged this ...*(interruptions)*

श्री चतुरानन मिश्र: जयपाल जी, जरा हमारी बात भी सुन लीजिए। जब कोई कह रहा है कि अभी मत कीजिए इसको, 30 जून में कीजिए, बरसात के बाद कीजिए तो फिर आप क्या समझती हैं कि वह क्या कह रहा है? इसलिए मैं समझता हूं कि इस पर डिबेट नहीं होनी चाहिए, चेयरमैन ने एक्सैप्ट किया है।

अब दूसरी बात यह है कि हमारे फाइनैंस मिनिस्टर कहते हैं कि:-

There has been a good progress in the compilation of the Action Taken Report.

तो जितना गुड पार्ट हो, उसको रख दीजिए और जो बेड पार्ट हो, उसको छोड़ दीजिए। ....**(व्यवधान)**....

हमारी राय है कि जितनी गुड तैयारी हो गई, उतना माल ...**(व्यवधान)**...

एक माननीय सदस्य: फाइनल ही नहीं हुआ।

श्री चतुरानन मिश्र: फाइनल नहीं हुआ तो गुड कैसे हो गया? आपने एक्शन टेकन रिपोर्ट ...**(व्यवधान)**... तब आप कहिए कि अभी फाइनलाइज़ नहीं हुआ ...**(व्यवधान)**... इसलिए आप पेश तो होने दीजिए। ...**(व्यवधान)**... Shrimati Jayanthi Natarajan, if you are challenging Mr. Jaipal Reddy, I have nothing to do ...*(interruptions)*...

SHRIMATI JAYANTHI NATARAJAN: Nobody is challenging...*(interruptions)*

SHRIMATI SUSHMA SWARAJ: You are talking ...*(interruptions)*

SHRIMATI JAYANTHI NATARAJAN: I am talking ...*(interruptions)*.... I don't need to answer you question. Kindly address the Chair ...*(interruptions)*...

THE DEPUTY CHAIRMAN: I am trying to find out what the situation is.

SHRI CHATURANAN MISHRA: That is up to you.

इसलिए हमारा यह कहना है कि एक बार जब इसको मंजूर कर लिया चेयर ने तो इस पर प्रोसीड कीजिए ...**(व्यवधान)**...जितनी तैयारी होगी, जितनी नहीं तैयारी होगी ...**(व्यवधान)**...

SHRIMATI JAYANTHI NATARAJAN: Nobody is challenging that matter ...*(interruptions)*...

THE DEPUTY CHAIRMAN: The question is not ...*(interruptions)*...

अच्छा, मैं सब सुन लूं पहले। बोलिए।

विपक्ष के नेता श्री सिकन्दर बख्त: सदर साहिबा, मुझे अर्ज़ करना है कि मैं यह 212 (ए), कमेटी आन गवर्नमेंट एश्योरेंस पढ़ रहा हूं:—

[illegible]

"There shall be a Committee on Government Assurances to scrutinise the assurances, promises, undertakings, etc., given by Ministers, from time to time, on the floor of the Council and to report on—

(a) the extent to which such assurances, promises, undertakings, etc., have been implemented; and

(b) when implemented, whether such implementation has taken place within the minimum time necessary for the purpose."

Now, these are the functions of the

*[ ] Transliteration in Arabic Script.

[श्री सिकन्दर बख्त]

Committee on Government Assurances. If more time was required by the Finance Ministry or the Finance Minister, it/he should have come before the House. It is not the function of the Committee on Government Assurances to grant extension of time. The function of the Committee on Government Assurance is only to see that the assurances given by the Government are fulfilled within a given time. That is all. It has nothing to do with granting of time.

SHRI JAGESH DESAI: The Committee on Government Assurances can extend the time ...*(interruptions)*...

SHRI SIKANDER BAKHT: No, you quote the rule. The rule does not say this.

THE DEPUTY CHAIRMAN: Just a minute ...*(interruptions)*.... Now, Shri Biplab Dasgupta.

DR. BIPLAB DASGUPTA: Madam, I am very glad that you have permitted me to speak after a long time.

THE DEPUTY CHAIRMAN: This is the only time when you asked for my permission. You always get up without my permission and start arguing ...*(interruptions)*...

DR. BIPLAB DASGUPTA: In the last two weeks, you did not recognise me.

THE DEPUTY CHAIRMAN: Let us settle the dispute ...*(interruptions)*... Do you want to settle the dispute first? ...*(interruptions)*...

DR. BIPLAB DASGUPTA: No, Madam.

THE DEPUTY CHAIRMAN: Please settle your dispute first that I am not permitting the Members to speak. What am I doing in the House sitting in the Chair?

I am sorry that you come and speak like this on the floor of the House.

DR. BIPLAB DASGUPTA: No, no, Madam. I have reasons for saying that thing. Madam ...*(Interruptions)*

THE DEPUTY CHAIRMAN: They do not know the manners of this House.

DR. BIPLAB DASGUPTA: Madam, I can understand the argument ...*(Interruptions)* Madam, please stop them from interrupting. I can understand the argument that has been given by the Finance Minister ...*(Interruptions)*

THE DEPUTY CHAIRMAN: It is a wrong statement on the floor of the House. I have permitted him to speak in the House. He makes an allegation that I am not permitting him. It is very unfortunate.

DR. BIPLAB DASGUPTA: Madam...

THE DEPUTY CHAIRMAN: You must apologise for making a wrong statement. I allowed everyone to speak. What am I doing here? (*Interruptions*)

DR. BIPLAB DASGUPTA: You are not listening to me. Madam, I understand why the Finance Minister has made this point that he needs some time for the compilation of the report. That is understandable. What is not understandable is this: Why could he not at least present to us a part of the report on the actions taken? What prevents him from doing that? That is one point. The second point is, I take strong objection to some of the points which have been raised by the other side that we are wasting time. Do they mean to say that to discuss about Rs. 6,000 crores that were involved is a wastage of time? What I suggest is this. Let the discussion be continued. The Finance Minister has given an explanation as to why he could not complete the work in three months. But, in any case, let the Finance Minister give an assurance that the complete work would be presented in the next session. But in the meantime let us express our views on the Calling Attention. And there is no point in further continuing this debate any more.

THE DEPUTY CHAIRMAN: Mr. Kishore Chandra Deo.

SHRIMATI JAYANTHI NATARAJAN: Nobody is objecting to the discussion continuing. Madam, let me

set the record straight that I am not objecting to the discussion continuing. We are prepared for the discussion. Our speakers are prepared to discuss it. I only got up to say that what Mr. Jaipal Reddy said was wrong that the statement could not contain anything more. Let me set the record straight. An unnecessary attempt is being made to show that there is something else...

SHRI S. JAIPAL REDDY: It is a non-paper.

SHRIMATI JAYANTHI NATARAJAN: I have never objected.

SHRI S. JAIPAL REDDY: You have given us an empty piece of paper.

SHRI V. KISHORE CHANDRA S. DEO: Madam, I would like to mention that whether it is the Assurances Committee or all the other Committees of Parliament, these are also a part of Parliament. And, I think, the Members of this House, all of us should make sure that none of these Committees gets diluted in our excitement or anxiety in a particular matter. Madam, the practice in both the Houses has been that whenever a Minister gives an assurance on the floor of the House, it is well within the scope of the Assurances Committee to go into that aspect to see whether the assurance has been kept up by the Minister or not. And now the hon. Minister has clearly mentioned in the statement that he had assured both the Houses that this particular report will be laid on the Table of both the Houses. Secondly, Madam, whenever there is a delay caused by the hon. Minister or his Department to lay such a matter on the Table of the House, the practice has been to write to the Chairman of the Assurances Committee and not to the Speaker or to the Chairman of this House for further extension of time. As far as I know, this is unprecedented.

Lastly, Madam, I don't think there is any precedent of any incomplete report being laid on the Table of the House. The reports of the JPC were as a whole, they were not in parts. It was not as if it was part-1 or part-2 or part-3. These 273 recommendations are a part of the whole. So, how can an incomplete report be placed on the Table of the House? I am sure my friends on the other side would not like to set this kind of a precedent when the rest of the report can be pushed beneath the carpet after that. Therefore, whatever progress has been made, if the Minister deems fit and he has the information, he can divulge it to the House. But it is also...

SHRI S. JAIPAL REDDY: He should divulge.

SHRI V. KISHORE CHANDRA S. DEO (Andhra Pradesh): It is also quite possible that enquiries are in progress, and not complete even in some of the items (*Interruptions*)

THE DEPUTY CHAIRMAN: Let him finish.

SHRI V. KISHORE CHANDRA S. DEO: With this in mind, I would like to say that it is well within the right of the Minister to make that statement ...(*Interruptions*)

SHRI MADAN BHATIA (Nominated): Madam Deputy Chairman, I think the matter can be clarified first by taking one analogy. The hon. Finance Minister gave an assurance to the House that in the course of the next three months, item-by-item response of the Government and the action taken or proposed to be taken on the recommendations would be presented. The assurance was that in the course of the next three months, the Action Taken Report would be placed before the House. I put it to the hon. House to consider whether before the expiry of three months, could the Finance Minister be asked to report to the House the action taken? The answer would, obviously, be 'no' ...(*Interruptions*). Let me speak. Therefore, if the House could not ask the Finance Minister to make a report before the expiry of three months,

[Shri Madan Bhatia]

and before the expiry of three months the Finance Minister asks for extension of time, then the matter has to go before the Committee on Government Assurances because Rule 212 which has been read out by the hon. Leader of the Opposition, in terms, says so. "There shall be a Committee on Government Assurances to scrutinise the assurances, promises, undertakings given by Ministers." This was an assurance given by the Minister to give the report within a period of three months. On account of certain difficulties, he approaches the hon. House and says that within three months it is not possible. The scrutiny of compliance with the assurance had to be done by the Committee on Government Assurances. It was the requirement and necessity on the part of the Committee on Government Assurances to decide whether the period of three months should be extended or should not be extended. If the Committee on Government Assurances does not take any action for extending the period, it will be implicit that the period stands extended. There is no rejection of the request which was made by the hon. Finance Minister for extension of the period. When there is no rejection, it will necessarily follow that the period stands extended, and if the period stands extended, then it means that hon. Finance Minister cannot be asked to give the report until and unless the period is cut short or a limit is fixed by the Committee on Government Assurances. The Minister cannot be asked to give the Action Taken Report before the hon. House unless and until a definite deadline is now fixed by the Committee on Government Assurances for him to give the report or to report to the House on action taken.

THE DEPUTY CHAIRMAN: Shrimati Sushma Swaraj.

SHRI GURUDAS DAS GUPTA: I may point out....

THE DEPUTY CHAIRMAN: I have identified Shrimati Sushma Swaraj. I will also allow you.

SHRI GURUDAS DAS GUPTA: I submit that a calling attention was admitted by the Chairman. There is no reason why we should spend our time on formalities. Let us come down straight to the business.

THE DEPUTY CHAIRMAN: I have identified her. The calling attention as permitted by the Chairman was listed and I have the names before me ...(*Interruptions*). Can you keep quiet, please? Let me tell the Member what we have done. The objection or the point of order was raised by Mr. Jaipal Reddy. If he raises something, I cannot stop him, and then once it starts, everbody has to speak. I cannot help it. I cannot differentiate between one Member and the other. Just now I have been charged of having some favourites and some non-favourites. I have been charged just now.

Shrimati Sushma Swaraj, now.

श्रीमती सुषमा स्वराज: उपसभापति महोदया, आपने अपना माइंड दे कर मेरी मुश्किल को आसान कर दिया। मैं सदन को आपके माध्यम से यह कहना चाहती हूं कि श्रीमती जयन्ती नटराजन ने सदन में खड़े हो कर यह कहा कि वह इस बहस को रोकना नहीं चाहती हैं, वह केवल जयपाल रेड्डी जी के स्टेटमैंट पर रियेक्ट कर रही हैं। लेकिन सारा सदन साक्षी है, आप भी साक्षी हैं, आप रेकार्ड निकलवा सकती हैं, वह जब पहली बार बोल रही थीं तो उन्होंने कहा-दिस कालिंग अटेंशन इज़ प्रीमेच्योर। ये शब्द उन्होंने इस्तेमाल किए—दिस कालिंग अटेंशन इज़ प्रीमेच्योर। यह लिखा है, उन्होंने यह कहा है। मेरा आप से यह निवेदन है कि कोई भी कालिंग अटेंशन सारी सूची में ऐसे ही लिस्ट नहीं हो जाता। पहले बाकायदा बिजिनेस ऐडवाइजरी कमेटी में, जिस में तमाम दलों के सदस्य रहते हैं, वहा इस के ऊपर चर्चा होती है। उसके बाद अध्यक्ष इसकी अनुमति प्रदान करते हैं, उसके बाद यह कार्य सूची में लिस्ट किया जाता है, इतनी सारी प्रक्रियाओं से निकला हुआ ध्यानाकर्षण प्रस्ताव और फिर जब आज बहस के लिए लाया गया तो सत्ताधारी बैंच को माननीय सदस्या कहती हैं कि यह कालिंग अटेंशन प्री-मेच्योर है। यह

केवल संसदीय गरिमा के खिलाफ नहीं है बल्कि यह चेयरमैन की बिद्धता पर भी रिफ्लेकशन है। इसलिए मैं आपसे यह निवेदन करना चाहती हूं कि जो प्री-मेच्योर शब्द यहां इस्तेमाल किया गया है उसको आप प्रोसीडिंग से एक्सपंज कराईये। (व्यवधान) यह सीधे-सीधे चेयरमैन की बिद्धता पर रिफ्लेकशन है कि उन्होंने प्री-मेच्योर कालिंग अटेंशन को अनुमति दे दी जो उनको नहीं देनी चाहिए थी। दूसरे मैं आपसे यह कहना चाहती हूं ...(व्यवधान)

SHRIMATI JAYANTHI NATARAJAN: Madam, may I say something? (*Interruptions*)

SHRI SATYA PRAKASH MALAVIAYA: You are entitled to say.

THE DEPUTY CHAIRMAN: I will permit you, Mrs. Natarajan. I will allow you. (*Interruptions*) Order, please. Let Shrimati Sushma Swaraj speak.

श्रीमती सुषमा स्वराज: दूसरे मैं आपसे निवेदन करना चाहती हूं कि जो स्टेटमैंट वित्त मंत्री जी ने दिया है उसमें उन्होंने कहा है:

> "I am pleased to inform the House that there has been good progress in compilation of the Action Taken Report."

मेस आप से निवेदन है इसका जवाब देते हुए बजाय यह कहने के कि मैं तीस जून तक यह चीज रख दूंगा यह कह देते कि इतनी प्रोग्रेस हुई है, इतना कम्पाइलेशन हुआ है, इतनी प्रगति इसमें हुई है, कम से कम इतना ब्यौरा सदन में देने की बात करते जो ध्यानाकर्षण प्रस्ताव के माध्यम से उनका ध्यान आकृष्ट किया गया है। आज पांच महीने होने को आ रहे हैं जे०पी०सी० को रिपोर्ट को आये हुए। सारा देश यह समझ रहा है कि शायद इस रिपोर्ट को कूड़ेदान में डाल दिया गया है। वह प्रोग्रेस जिसके बारे में स्टेटमेंट में जिक्र आया है कम से कम उतना ब्यौरा तो सदन में देने की जरूर कृपा करें। आप से मैं निवेदन करूंगी कि आप इस बहस को ज्यादा चलाये बिना ध्यानाकर्षण पर बहस आरम्भ करायें। (व्यवधान)

SHRIMATI JAYANTHI NATARAJAN: Madam, I may be allowed to clarify. (*Interruptions*)

THE DEPUTY CHAIRMAN: She wants to clarify. That is all.

SHRIMATI JAYANTHI NATARAJAN: Madam, first of all, ...(*Interruptions*) Please, I want to say something. At the very outset, I want to say that this is a shocking attempt made by the hon. Member to try and politicise something which I said about the issue; i.e. the subject-matter of the Calling-Attention Motion.

Madam, I want to say categorically that I have the greatest respect in the world for the hon. Chairman, for his decision, for the decision of the Business Advisory Committee. I stand, most humbly, by whatever decision the hon. Chairman had taken. It is an unseemly thing that you are trying to politicise the issue by bringing in the name of the Chairman (*Interruptions*). Madam, the hon. Chairman had taken the decision to permit it. That is why I want to set the record straight. Whatever is the subject on which notice is given for a Calling-Attention Motion, they see whether the subject could be permitted, under the rules of the House, or not. If it is within the rules, they permit it; the Business Advisory Committee and the Chairman permit it. Therefore, this has nothing to do with the hon. Chairman. I am only questioning the *bona fides* of the Opposition in trying to get this matter on the agenda. This has nothing to do with the hon. Chairman. (*Interruptions*)

THE DEPUTY CHAIRMAN: Order, Please. (*Interruptions*)

SHRIMATI JAYANTHI NATARAJAN: You are doing it every day. (*Interruptions*)

THE DEPUTY CHAIRMAN: We do not want to waste a single moment of the House on this matter. We want to start the discussion on the Calling-Attention Motion. (*Interruptions*)

SHRI S. JAIPAL REDDY: Madam, what is your ruling on my point of order?

PROF. VIJAY KUMAR MALHOTRA (Delhi): Madam, I want to say something. (*Interruptions*)

SHRI CHIMANBHAI MEHTA

[Shri Chimanbhai Mehta]

(Gujarat): Madam, may I say something. (*Interruptions*)

THE DEPUTY CHAIRMAN: How can three people say something, at the same time? (*Interruptions*)

PROF. VIJAY KUMAR MALHOTRA: I am on a point of order.

SHRI P. UPENDRA (Andhra Pradesh): Madam, please permit me. (*Interruptions*)

THE DEPUTY CHAIRMAN : Does everybody want to speak? If Members want to speak. on points of order, fine; I have no objection.

SHRI GURUDAS DAS GUPTA: I have a point, Madam. I may be allowed to speak. (*Interruptions)*

THE DEPUTY CHAIRMAN: Order, please. (*Interruptions)* I want to take the sense of the House. Do you want me to start the discussion on the Calling-Attention Motion, or, do want to have points of order; everybody's point of view?

SOME HON. MEMBERS: Yes.

THE DEPUTY CHAIRMAN: I will allow.

SHRI GURUDAS DAS GUPTA: No, no. (*Interruptions*)

THE DEPUTY CHAIRMAN: What is your point of order? I cannot understand. (*Interruptions*)

SHRI GURUDAS DAS GUPTA: Have you taken the sense of the House, Madam? The sense of the House is that we should straightaway go into the discussion. We should straightaway go into the discussion. (*Interruptions*)

THE DEPUTY CHAIRMAN: If that is the sense of the House... (*Interruptions*)

SHRI S. JAIPAL REDDY: Madam, while I share the sense of the House. ...(*Interruptions*)... Please listen to me.

SHRI CHIMANBHAI MEHTA: Mr. Jaipal Reddy, please wait for a minute.

THE DEPUTY CHAIRMAN: I think the Members should settle who will speak first. Mehtaji, *boliye.*

SHRI CHIMANBHAI MEHTA: Madam...(*Interruptions*)..

SHRI G.G. SWELL (Meghalaya): Madam, Mr. Mehta has been called by you.

प्रो० विजय कुमार मल्होत्रा: प्वाइंट आफ आर्डर उनसे पहले मैंने रेज किया है।

THE DEPUTY CHAIRMAN: I am very surprised. I really do not know in this confusion what the sense of the House is. Shall I go for a vote? Everybody wants to rise here and say, we want to speak, we want to have a discussion. What do you want to have? Let me know. I want to start the discussion.

SHRI GURUDAS DAS GUPTA: I suggest, let us have the discussion.

SHRI CHIMANBHAI MEHTA: Madam You have identified me. ...(*Interruptions*)...

SHRI S. JAIPAL REDDY: I rise on a point of order. Give a ruling.

THE DEPUTY CHAIRMAN: Let him finish. Then I will give the ruling. I cannot speak when ten people are talking.

आप भी बोलिये, आप भी बोलिये। जिसको बोलना है बोलिये।

SHRI CHIMANBHAI MEHTA: Madam, this Call-Attention is quite regular and, therefore ...(*Interruptions*)...

THE DEPUTY CHAIRMAN: Now, what is it? I can't run the House like this. On one point of order you want to rise and it opens a Pandora's box. I want to start the discussion. Chairman has permitted it. I have got the list of Members.

SHRI CHIMANBHAI MEHTA: This Call-Attention is absolutely regular. Therefore, we should go for the discussion. The point here is that the Finance Minister has given a statement wherein he has said that on the

implementation of the recommendations of the JPC, compilation of the Action Taken Report is progressing. Now, I will be discussing the Call-Attention, and if he is going to give me the same reply, I dont't know how to discuss this Call-Attention. This is my point. Therefore, how to proceed, because Mr. Jaipal Reddy has said that this is no statement, that this is a non-paper? ..(*Interruptions*).. How can we proceed on a non-paper? This is my point. ..(*Interruptions*)...

THE DEPUTY CHAIRMAN: Order, please.

SHRI CHIMANBHAI MEHTA: So, this is the confusion. ....(*Interruptions*).. How can I proceed on a non-paper?

SHRI GURUDAS DAS GUPTA: Madam, may I begin? ..(*Interruptions*)..

THE DEPUTY CHAIRMAN: I don't know what ruling you want. ...(*Inteerruptions*).. What do you want me to give a ruling on?

SHRI GURUDAS DAS GUPTA: What is the ruling ..(*Interruptions*)..

THE DEPUTY CHAIRMAN: Ask him.

प्रो० विजय कुमार मल्होत्रा: बात तो करने दीजिये, प्वाइंट आफ आर्डर तो रेज करने दीजिये।

SHRI S. JAIPAL REDDY: My point of order is based on the non-statement, the non-paper, given by the Finance Minister. ..(*Interruptions*).. Please listen to me. If the Finance Minister has said that not a single recommendation has so far been processed, it would have been okay. The Finance Minister, in his non-statement, admits that good progress has been made to a great extent. Why does he withhold information? How do we discuss it in a vacuum? ..(*Interruptions*)..

THE DEPUTY CHAIRMAN: I will give my ruling at the end of it. You say what you like. I will say at the end. ..(*Interruptions*)..

SHRI MADAN BHATIA: He has come to this hon. House and said, "I have made a request, on account of my difficulties, for extension of time, and the time has neither been extended nor the request rejected." Therefore, it is implied that the time stood extended, and this has been brought to the notice of the hon. House. It is totally preposterous on the part of Mr. Jaipal Reddy to say that the hon. Finance Minister has something to hide. ...(*Interruptions*).. He has always been making cantankerous statements. I strongly object to this. ..(*Interruptions*)..

THE DEPUTY CHAIRMAN: Order, please.

प्रो० विजय कुमार मल्होत्रा: मैंने भी प्वाइंट आफ आर्डर रेज किया है।

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI MARGARET ALVA): Madam, the Call-Attention was admitted after all the Members of the Business Advisory Committee wanted the discussion. Madam, you know as well as everybody else, that when a Call-Attention is admitted, it is up to the Minister whose attention is called, to come to the House with whatever information he can give. It is for starting the discussion so that the Minister will reply at the end to the points raised. You say that in the beginning the Minister must say what you want him to say in the statement. That is just not the procedure in the House. A statement has been made. It is for you to ask for clarifications, to ask of the Minister what you want to ask.

SHRI S. JAIPAL REDDY: On what?

SHRIMATI MARGARET ALVA: On whatever you want. You cannot dictate what the Minister's statement should be. This has never been the procedure. If you have any objection to it, it is for you to speak. You can start it. If you don't want the discussion, then, say that you don't want the discussion. Let us go to some other business. Don't spend the whole day...(*Interruptions*)

THE DEPUTY CHAIRMAN: Please

[Smt. Margaret Alva]

have courtesy. The Minister is speaking. Have some courtesy to her. She is the Whip of her party in this House. Let her speak.

SHRIMATI MARGARET ALVA: Madam, they wanted the discussion. It has been admitted under Call-Attention. It is for you to raise your points and start the Call-Attention. If you don't want it, then, say that you are not interested in it, and let us go to some other subject...(*Interruptions*) Why are you bogged down in technicalities? You wanted a discussion. We have come here prepared for the Call-Attention. It is for you to co-operate and let the discussion start. If you don't want it, why are you wasting the time of the House? ..(*Interruptions*)

प्रो० विजय कुमार मल्होत्रा: मैं प्वाइंट आफ आर्डर रेज़ करना चाहता हूं। फाइनेंस मिनिस्टर ने 29-30 दिसम्बर को हाऊस में एश्योरेंस दिया था जिसमें यह कहा कि तीन महीने में रिपोर्ट पेश करूंगा। 29 मार्च को यह टाइम खत्म हुआ। 29 मार्च को यह एश्योरेंस कमेटी में कैसे जा सकते थे मैं भी एश्योरेंस कमेटी का चेयरमैन रहा हूं। उसका काम शुरू होता है जब एश्योरेंस राइप हो जाए। एश्योरेंस राइप होती है 29 मार्च के बाद। उसके बाद एश्योरेंस कमेटी मीट करती और देखती कि इन्होंने एश्योरेंस दिया है या गलत दिया है। इनको 29 मार्च को हाऊस में आना चाहिये था।

He should have come to the House and asked for permission of the House. ...(*Interruptions*)

By going to the Assurances Committee, he has done something basically wrong. ...(*Interruptions*)

He should have come to the House.

हाऊस में आ कर के इसके ऊपर तीन महीने का एक्सटेंशन मांगते। एश्योरेंस कमेटी का यह काम ही नहीं है। (व्यवधान)

SHRI P. UPENDRA: Madam, I have a point of order. ...(*Interruptions*)

THE DEPUTY CHAIRMAN: One minute, please, please. ...(*Interruptions*) Mathur Saheb, one minute.

श्री जगदीश प्रसाद माथुर: मेडम ने ठीक ही कहा है कि बहस शुरु कर दीजिये। (व्यवधान) लेकिन जवाब देते समय मंत्री जी एश्योरेंस कमेटी का पलिसी न लें और मंत्री जी को खुल कर के जवाब देना पड़ेगा। (व्यवधान) उपसभापति महोदया, ..(व्यवधान)

THE DEPUTY CHAIRMAN: Mathur Saheb, you had you say. Please sit down. ...(*Interruptions*)

Please, order, order, order.

SHRI P. UPENDRA: A point of order, Madam. Just a minute, Madam.

THE DEPUTY CHAIRMAN: Yes, Mr. Upendra. At the end I will clarify all the doubts.

SHRI P. UPENDRA: Madam, as per the Rules, an Action-taken Report cannot be given in piecemeal. An Action-Taken Report has to come as one report.

SHRI S. JAIPAL REDDY: No.

SHRI P. UPENDRA: If the Minister is not ready or if the House or some members wanted a discussion, it need not have been taken to the Assurances Committee. He can share with the House whatever information he wants to share. You cannot compel the Government to come with its reaction on all the 273 observations when the Government is not ready. ...(*Interruptions*)

Then the discussion is limited, the question is limited. The ideal thing would have been to have a discussion in the next session. Since you want a discussion, let us have it. Whatever information he can, he will give.

THE DEPUTY CHAIRMAN: Now, may I have a little peace for me to be heard? Or does still somebody want to say something?

SHRI N.E. BALARAM (Kerala): Madam, I want to say...

THE DEPUTY CHAIRMAN: Yes, Mr. Balaram wants to say something. I don't want to be labelled again that I am not allowing Members to speak.

SHRI N.E. BALARAM: Madam, I only agree that the statement made by the Minister is not at all satisfactory, but

I do not agree with the comments of Mr. Jaipal Reddy. I do not know what is in his mind. I do not agree with him because the decision taken by the Chairman and the Business Advisory Committee is for a discussion.

SHRI S. JAIPAL REDDY: I am for the discussion...(*Interruptions*)

SHRI N.E. BALARAM: Hear me. I was hearing you. I do not agree with you. That is what I am saying. I do not agree with you. I want a discussion on this question. Whether the Minister can answer or not is not important for me. He is bound to answer the House. If he wants six months or seven months, that is a different thing. Three or four months have passed. What I am saying is that this was a decision of the Business Advisory Committee. ...(*Interruptions*)...

THE DEPUTY CHAIRMAN: Mr. Reddy, why are you getting up?

SHRI S. JAIPAL REDDY: Madam, I would like to ...(*Interruptions*)..

THE DEPUTY CHAIRMAN: Mr. Reddy, this is enough. You have created the ruffle in the House. Nobody was interested to speak but you have started. I have identified the Member.

SHRI S. JAIPAL REDDY: Madam, I would like to clarify that I am for a discussion. I would like to remove the misunderstanding in the mind of Mr. Balaram. ..(*Interruptions*).. What is this? ..(*Interruptions*).. Here is the Minister. It is a non-statement. It never happened in the history of Parliament of India.

THE DEPUTY CHAIRMAN: I am sorry to say that a lot of time is being wasted unnecessarily. We could have started the discussion. ..(*Interruptions*).. Please keep quiet. I was starting the discussion; and I have already identified the Member.

SHRI S. JAIPAL REDDY: Please remove that word "wasted". Don't say it was a waste of time. ..(*Interruptions*)..

THE DEPUTY CHAIRMAN: Don't take your temper against Mr. Balaram out on others. Please keep quiet. ..(*Interruptions*)... I have allowed Mr. Gurudas Das Gupta to raise the discussion on Calling attention matter. Under a point of order, Mr. Jaipal Reddy started raising some objection. The situation is that the Minister wrote to the Chairman of the Assurances Committee for extension of time. He has a right to write a letter to the Chairman of the Assurances Committee. ..(*Interruptions*)... Can you listen to me? He wrote to the Chairman also. He wrote to the Chairman of the Assurances Committee also. He said that he did not receive any reply. That is what the Minister has said over here. He has not said anything against the truth. What has been raised by Mr. Vijay Kumar Malhotra over here is also not correct. He has quoted the rules of the Assembly here. The procedure in this House is different. ..(*Interruptions*)... Maybe Lok Sabha. Mr. Malhotra, our procedures are different. Here the Minister can write a letter to the Assurances Committee. He wrote to that Committee.

THE LEADER OF THE OPPOSITION (SHRI SIKANDER BAKHT): Will you quote the rules?

THE DEPUTY CHAIRMAN: If you want me to quote, you come over to my Chamber. I will tell you about the rules. I will tell you about the previous precedent. For heaven's sake don't waste the time of the House any more. Shri Gurudas Das Gupta.

SHRI SIKANDER BAKHT: I will certainly come to you Chamber.

THE DEPUTY CHAIRMAN: Please do. ..(*Interruptions*)...

SHRI GURUDAS DAS GUPTA: Madam Deputy Chairman, I rise only to raise serious doubt about the intentions of the Government. There is no reason to believe or take the statement ...(*Interruptions*)...

THE DEPUTY CHAIRMAN: Mr. Sikander Bakht Saheb, I am sending you the rule book, you please ready it.

SHRI GURUDAS DAS GUPTA: **Even if** you call this as a statement, there **is no** reason to take it at its face value. **The** fact remains that after all the scam **was** not merely an act of manipulation or **an act of** collusion. It had been an act of downright plunder an loot perpetrated on **the** economy. Let us also identify the prime time of the scam. The scam took place between July, 1991 an may, 1992. That was the period when the country was going through a serious resource crunch. That was the time chosen to plunder the country, to commit the loot and that was the time when those who were at the helm of affairs for governing the country have failed and faltered. That was the time when the interest of the nation was betrayed. The value of the total illegal security transactions can be calculated around Rs.12,00,000 crores. I believe that people have made not less than Rs. 10,000 crores out of this scam. According to the information supplied to the JPC by the CBI, they have initiated action in 45 cases involving Rs.8,383 crores. This being the dimension of the injury sustained by the country, Madam, the most unfortunate part of the story is that even after three years of the commencement of the Scam or three years after the commencement of the fraud, the people of the country are yet to know what the Government contemplates to do to prevent its recurrence in the future. I raise the point whether this report of the JPC is going to be unknown; unnoticed and unacted upon by the Government or whether the Government pledges that it will act on the report of the JPC to enforce discipline in the financial system of the country. Madam, there has been the emergence of a culture of lack of accountability and that lack of accountability has really eroded the system. I call upon the Government to establish the principle of accontability and to re-establish the credibility of the system. It is where the Government owes an explantion to the country and to this national forum.

[The Vice-Chairman (Shri Satish Agarwal). In the Chair.]

Sir, there is another point and that point is whether the parliamentary system is going to lose its relevance and parliamentary investigation will be made as ineffective as the other forums of investigation have been made in this country. I understand the problem. I understand, the Government needed much more time to deliberate upon the report that had been submitted. But, unfortunately, the Government does not prefer to come to the House on its own. The Government comes to the House when it is called upon to do so because the Chairman has admitted a Call-Attention motion. Therefore, Madam, I believe that there had been a contemptuous default on the part of the Government in not coming on its to the House and taking a stand that it needed a little more time. The Assurance Committee was not the proper forum to seek extension because it was not a normal assurance. The country wanted to know what the Government wanted to do with regard to the serious irregularities that had taken place. Therefore my point is, why had the Government to be put in a compelling situation to tell the country and Parliament that it needed more time? What is the reason? The reason is very clear. It was assumed that public memory was short-lived. It was believed that parliamentary vigilance would not be that persistent. It was thought that the media would lost interest. therefore, the Government was deliberately taking time so that the deliberations of the report might have a natural death. Perhaps, it was an easier way for the government to ignore the report. Madam, I do not believe that the Government did not have time to consider the report at all because the problem of foreign exchange had been solved. That was the candid story of the Finance Minister. The Finance Minister had categorically stated that it is last. Secondly, the hon. Finance Minister did not have to take part in the GATT

negotiations because somebody else had been given the job by the Prime Minister. And, also the Finance Minister was not moving from one country to another. (*Interruptions*).

SHRI MANMOHAN SINGH: How can I? (*Interruptions*).

SHRI GURUDAS DAS GUPTA: I know what the compartmentalisation is, what the functioning of the Ministries is. But what I am submitting is that it was not a period when the hon. Finance Minister was too much busy. Therefore, 1.00 P.M.

my point is, it is not the scarcity of time but it is the scarcity of intention that has resulted in producing a non-statement before the House. The Government may not have the time to take a full view of the matter. I concede that. Let me concede for the time being that the Government needs more time. But the truth is that the Government is deliberately moving in a different direction from the one suggested by the JPC. Let me give some examples. ..(*Interruptions*).. it is not inside. It is all open and above board. The RBI Board has been reconstituted and Mr. Malligam is there in the Board. Who is Mr. Malligam? He is the senior-most Member of the Board. He is the senior-most partner of the S.B.Billimoria Company, Bombay, who has the responsibility of auditing the accounts of the Bank of America. The Bank of America is involved in the Securities Scam to the extent of 12.5 per cent of the irregularities and the Joint Parliamentary Committee had clearly stated that many of the audit reports were in the nature of collusive cover-ups. The Committee suggested that the institute of Chartered Accountants and the RBI should be invited to take necessary action. My point is, Billimoria Company had been blacklisted and the senior-most partner of the Billimoria Company has been made a member of the Central Board of the RBI. What signal it gives? Sir, may I expect silence from the hon. Minister, Shri Salve? The point is, if the senior-most member of the Billimoria Company, who had been blacklisted even by the Janakiraman Committee, is inducted into the Central Board of the RBI, what signal it gives to the auditors in general and to the people in particular?

Secondly, Foreign Banks had been involved in 56 per cent of the irregular transactions in the Securities Scam and five foreign banks account for Rs.8,82,427 crores of irregular transactions. The JPC report unanimously suggested that stringent penal action, including suspension of the licences and legal action, should be taken both in India and abroad. But what happened? Instead of taking legal action, some sort of fine is being negotiated upon very crucially and peacefully and before the entire line of action of giving punishment to the delinquent bankers has been deliberated upon and finalised, a number of banks involved in the Securities Scam, have been allowed to open their branches in the country. This, in my opinion, speaks of unusual softness and 'let off' mentality on the part of the Government. Therefore, with these two examples, I beg to draw the attention of the House to the fact that the Government have not finalised its response to the recommendations of the JPC, but, in fact, the Government is moving in the opposite direction of the recommendations made by the JPC.

Thirdly, what are the Vostro accounts? My information is that the Enforcement Department has gone into the transaction which is known as the Vostro accounts. They have identified the beneficiaries and they have also found out that a large number of people who have received money in India and abroad. Some of the foreign banks are also involved. My information is that the Enforcement Depaertment or the Enforcement organisation is being prevailed upon to change the line of action. If my information is wrong, let the hon. Finance Minister contradict and correct me. so far as the delinquency that has

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been committed through the Vostro account is concerned.

Sir, the Government's inaction is contributing to a continuous hyperbole in the share market, and as a result, funds are being driven out from the productive sector to speculation and the complaints about the misuse of bank money and the misuse of the banking credit limit are pouring in continuously. That is the reason why I am told that the Reserve Bank had to hold a meeting only a few days back. My point is, even today, after the passing of so many months of the banks scandal overtaking the economy, why the Government cannot take upon itself the responsibility of introducing certain norms which can prevent the doling-out of the bank money in the stock market. Sir, I understand that Dr. Manmohan Singh needs some time. But Dr. Manmohan Singh needed no time to transfer the Chairman of SEBI, and the Chairman, SEBI, was transferred! It was portrayed as if some sort of promotion was being given to him. But what was the real story? Mr. G. V. Ramakrishna, the Chairman of SEBI was shunted out in order to give a wrong signal to the delinquent brokers of the country.

SHRI MANMOHAN SINGH: It is totally unture.

SHRI GURUDAS DAS GUPTA: It is for the Minister.....

SHRI MANMOHAN SINGH: You are in the habit of making unfair charges ....*(interruptions)*.....

SHRI GURUDAS DAS GUPTA: What is very important is that he has been made a member of the Planning Commission. What is more important is that the Chairman of SEBI has been shunted out of the SEBI .....*(interruptions)*.... Sir, it is for the hon. Minister to correct me and contradict me. Sir, I would like to take up a little more important issue. That important issue is, the Joint Parliamentary Committee, in the course of presenting its Report, has seriously complained of inordinate delay in the preliminary inquiry of the CBI and the non-registration of cases by the CBI. That was a serious complaint which the Joint Parliamentary Committee made. And the joint Parliamentary Committee suggested that finalisation of the cases should be done as quickly as possible. And, to enable the CBI to do its work expeditiously, it was suggested that the manpower should be augmented. I hope the House will bear with me if I share a piece of information. During proceedings of the Joint Parliamentary Committee five Joint Directors of CBI were looking into these Scam cases. Why is it that all the five Joint Directors of CBI, who have been looking into the Scam cases, have been transferred? The entire organisation was rearranged and all the Joint Directors have been transferred. Is it a normal transfer? I would like to know whether the hon. Minister of Finance would take up the matter with the CBI and ascertain whether such an *en masse* transfer of officers would result in the slowing down of the investigations. It may create a suspicion that CBI is going slow. Madam, what is more important is that the work that was being done by the five Joint Directors has now been assigned to on particular person who has recently been promoted to the rank of Joint Director. Sir, may I quote from the Joint Parliamentary Committee's Report a few lines?

I quote: "When the Committee has drawn the attention to the various irregularities in advancing loan to the Goldstar, the Director, CBI assured the Committee that in the light of the observations of the Committee they woud have the matter re-examined as the case had not been closed so far." That was the assurance given by the CBI and this part of the assurance of the then Director of the CBI finds a place in the pages of the Joint Parliamentary Committee Report.

AN HON. MEMBER: Is it there?

SHRI GURUDAS DAS GUPTA: Yes, you will find it there. You will find.

Goldstar at the end. I am quoting. You will find. No problem. I stand by every word which I am saying. Sir, My information is that an investigation against Goldstar has not yet commenced. My information is that the State Government of Andhra Pradesh has not yet, I emphasise 'has not yet', decided whether an immediate investigation has to be undertaken so far as the complaints of irregularities in connection with the advance to Goldstar is concerned. I would like the hon. Finance Minister, since he has taken upon himself the responsibility of reacting to all the recommendations of the Joint Parliamentary Committee, to kindly react to this.

Sir, let me point out a number of other serious complaints. The Government would have had time to formulate its views. But serious developments are taking place. investigations against the Dalal group has been slowed down. investigations against the Dalal group has been slowed down particularly in foreign countries. At whose behest? Under whose instructions has this slowing down been initiated?

Secondly, we all know about Shri Krishnamurthy. I am not talking about about Kirshna. So, don't get up against me. I am speaking about Krishnamurthy, the flamboyant, high profile, bureacurat-turned politician, a former Member of the Planning Commission. I understand that the Government has still not permitted an enquiry to be made in Japan with regard to the complaint of Mr. Murthy receiving illegal gratification from a number of Japanese companies. Why has not yet the Government given the permission?

Sir, the Joint Parliamentary Committee discussed the bill discounting and, while discussing the bill discounting, the Report of the Joint Parliamentary Committee named Reliance as a key player in the operation of bill discounting. The JPC has suggested that there should be some enquiry. I understand that bill discounting has not been looked into, and is not being looked into either by the CBI or any other agencies. I am not sure whether the Reserve Bank of India has taken up the matter with the Central Bureau of Investigation. I am not sure about it. But the fact remains that this is an area of sensitive default.

Sir, the Joint parliamentary Committee in its Report has stated at one place that there is evidence of a close nexus between bankers, brokers and industrial houses. It is clearly stated. Therefore, the point is that the Joint Parliamentary Committee has called for investigations. I would like to know from the Finance Minister whether the role of the industrial houses is being looked into, whether the role of Reliance as key player in the operation is also being scrutinised.

Sir, the hon. Finance Minister may kindly remember that on 8th July, 1992 he had assured that House that a Special Bureau of Fraud would be set up. He has assured that. I think he remembers that. If he remembers, I would like to know what steps have been taken to set up the Special Bureau of Fraud.

Sir, now about the promoters' quota of shares. In the Joint Parliamentary Committee Report there has been a reference to the promoters' quota of Shares. A number of important bureaucrats have been found to be in possession of promoters' quota of shares which is nothing but doling out a privilege by the industrial houses. As far as I know, this is a violation of Service Conduct Rules. This matter was taken up. Recently, the Government had issued a Circular saying that holding of promoters' quota of shares is a violation. But it does not say whether it will have retrospective effect. What does it mean? It means the leading Government officials including the

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former Secretary of the Ministry of Finance, maybe, he was the Secretary, Economic Department, were found to be in possession of promoters' quota of shares.

AN HON. MEMBER: Who?

SHRI GURUDAS DAS GUPTA: Mr. Gita Krishnan has been found to be in possession of promoters' quota of shares. I believe this Circular was deliberately issued to let off the people who had been violating. This Circular was an act of warning. Sir, this is where the mentality of softness, there is where the *Chalta Rahe Raj* of the *Sarkaar* is going on. This is an attitude of 'live and let live'. I don't believe that with this attitude the Government is going to bring about any change in the present situation. I believe, if the securities scam was catastrophic for the country, the subsequent development is dradful. It is extremely dreadful, painful and causes deep concern. Sir, the Prime Minister of Japan had to resign because he was involved in financial irregularities. A complaint was lodged against him. The President of the United States of America has recently been sued. Sir, in the United kingdom, Ministers come and go very often. But in India, even the Ministers who have been commented upon in the Joint Parliamentary Committee report decided to stick on to the office against all norms of democracy, Parlimentary democracy, because there are high-profile personablities in our country. We believe in God. Since, God cannot commit any wrong, it is very difficult to touch God or those who are under the blessings of God. Therefore, I express my deep concern because a cover-up operation is going on. I was ready to wait for the report of the hon. Finance Minister. But I am not ready to wait because a cover-up operation has started. The hon. Finance Minister, Dr. Manmohan Singh, an economist by his own strength and knowledge, has been personally involved in the crucial decision making, at least, of the Economic Ministry of the country for 20 years. He worked as the Finance Secretary. He worked as the Governor, Reserve Bank of India. Now, he is the all-powerful Minister of Finance of our country, leading the liberalisation of the nation, liberalisation of the economy. Sir, such a chequered career, a personality with such a chequered career.....

AN HON. MEMBER: You should not say, "Chequered".

SHRI GURUDAS DAS GUPTA: why? 'Chequered' is not unparliamentary. Sir, should the hon. Finance Minister, by having such a chequered career and distinguished qualifications, should he consider that he has no responsibility in the downfall of the system of the country? I believe the Finance Minister cannot be absolved of the responsibility for all that has happened in the past, for all that is happening and for all that is likely to happen in the future. Therefore, Sir, I would like to seek his response, considering or having faith in the principle of accountability of individuals, whether he has a right to become accountable, at least, morally for all that has happened and whether he will set an example by quitting his office.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Now we have two or three important Bills to be taken up and this discussion will go up till 3.30 p.m. after which the Finance Minister will reply. So, I take the sense of the house. .....(*interruptions*)

SHRI S. JAIPAL REDDY: It is very important discussion.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): That is why I am taking the sense of the House. The House does not consist of Jaipal Reddy only. There are 11 speakers left. If the House so agrees, we can curtail the lunch break by half-an-hour. ....(*interruptions*)

SHRI H. HANUMANTHAPPA (Karnataka): We need not curtail the lunch hour in the beginning of the discussion. As such, we have wated one hour.....

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): This is what was suggested by the Minister for Parliamentary Affairs. ...(*interruptions*) Would you not want to forego lunch by half-an-hour?

SHRI H. HANUMANTHAPPA: Not today, because we wasted one hour over wringlings only.

THE VICE-CHARIMAN (SHRI SATISH AGARWAL): Now, Shri Ashok Mitra.

SHRI ASHOK MITRA (West Bengal): Mr. Vice-Chairman, Sir, this is a matter on which one speaks with considerable distaste and sadness. I wish the statement which has been circulated on behalf of the Finance Minister had been circulated before this Calling Attention Notice was given. That would have established the *bona fides* of the Government. It is as if we have extracted the statement from his and, certainly, it does not contain anything. We have been waiting for four months and all we have is such a statement. Whatever is happening, I think, whatever is being unfolded involves the entre nation. It does not matter whether we pass a resolution or throw out a resolution in this House. It does not matter if we hurl invectives against one another in this House. It is the nationa which is watching and it is the nation which will be the final arbiter and judge of what we are doing. We have already enunciated a certain principle of parliamentary democracy that the Ministers are not responsible, not accountable, for the activities that go on. And, today, we are almost being told that there is no accountability for promises made to Parliament either. So, in a way, this is a slow-slide and Parliament itself is being pushed to a dead end. I am feeling most sorry for those hon. Members belonging to the ruling party, those Members of the Joint Parliamentary Committee, who have signed this unanimous Report. What the Government has done and is doing is a direct slap on thier face. I feel very sorry for them. If I were in their position, I would have definitely resigned my assignment. In a way, they has been told by their own Government that they do not have any trust for the kind of thing that they had been indulging in during their tenure as Members of the Committee. ....(*Interruptions*)

SHRI JAGESH DESAI: We know what action has been taken by the Government.

SHRI ASHOK MITRA: I am sorry. Everything is related to everthing else. We are really discussing the fate of the nation and not the fate of some wretched Rs. 1,000 crores which was stolen by some wretched people protected by the Minister of Finance. That is not the issue.

It is a much broader issue. What is happening? One after another, the facts are revealed. We know that banks became walk-in parlours. Any crook from the private sector could walk into a bank and walk out with hundreds of crores of rupees. A cheque issued in the name of the Finance Minister could be deposited in the name of Mr. Salve sitting next to him. We all know what is happening.

THE MINISTER OF POWER (SHRI N.K.P. SALVE): It has bounced.

SHRI ASHOK MITRA: This is the kind of thing which is happening within the banking system. It is extraordinary that the Governor of the Reserve Bank does not talk to the Chairman of a particular bank. He calls up a pattey officer and asks: Why have you stopped the accounts of a particular stock broker? You see the specific anxiety the Governor has, who ought to be the principal person responsible for monetary management in the country. He acts as an agent — I don't know what kind of agent he is-of a stock broker. We know and evidence is there that at least four of the foreign banks were involved in criminal acts as per our banking legislation. They broke all the pledges which allowed them to function in this

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country. There is a milieu which was created and which is being been created since June, 1991.

Private people are at the top. Whatever they want, banks must allow them to do. Whatever the foreigners at the top want, you must allow within our banking system. You call it liberalisation, you call it globalisation, I call it servility, the road to colonization, the road to slavery. That is what is happening now. Forty years ago, our children were used to wirte essays on 'The socialistic pattern of society and my summer vacation'. The socialistic pattern of society and our forest wealth' and so on. And these days what are we doing? Every wretched thing. We do, we want that we must tag on globalisation. You globalised it. You globalised it and handed over the entire banking system to a bunch of criminals. You are not prepared to admit your accountablity and you are not prepared to disclose what you have done. Have you taken away the licence of even one foreign bank? Have you asked any one of the banks to dismiss those who are the major culprits within the banking system? I don't know. You may say that action is being taken. If any such action is taken, if any licence of a foreign bank is cancelled by you, we could have understood the *bona fides* of the Government. But you have not done it.

Look at the Goldstar case. The public sector unit, Kudremukh, handed over Rs. 54 crores to the Gold-Star and that money is now locked up. You say that Kudremukh is an inefficient company. Kudremukh is not making profits. You, as a Government, ensured that the money, the good money, belonging to the public sector, is diverted into the hands of crooks. Then you say that this public sector unit is not operating efficiently. It is the Government which does not want this public sector unit to work efficiently. It is the Government which want that the entire country should be made a speculative bazar. That is why all this is happening. These mean , little things add up to major acts of corruptions which have been indulged in by public officials in collusion with private individuals.

I am sorry, I wish I had the Finance Minister's attention. He may be thinking that it is garbage. But some of such garbage is being talked about outside by the people talk about little, little things of criminality, and criminality where the Government officials and private crooks were hand in glove. You raid the banks, take the money, speculate in the share market, raise share prices, then manoeuvre, and share prices crash. Thousands of crores of rupees of ordinary householders are knocked off. And this sort of thing happened because the Government had backed up the entire effort. The only problem is: Where do we go from here; it does not matter whether the Finance Minister actually submits a report to us on the JPC report three months hence? it doesn't matter what the quantity is of the eye-wash that this report contains. But, finally, what will happen to the country? People are watching. People, ordinary people, have enough commonsense. They are convinced, and it will be very difficult for you or for me to try to disabuse their mind of the impression that none of these things could have happened unless there was a direct blessing from the very top, that signals must have been sent from New Delhi. I do not want to name names. But I very much wonder if petty bank officials could have gone to the length they have gone unless they received some signals from somewhere else. This is something which the JPC has not unravelled and, perhaps, it will never be unravelbed. It doesn't matter. People, ordinary people form their own impression. Just listen to what they discuss in trains and buses, what they speculate upon. And what is the hypothesis they form. They are reaching towards the conclusion, that politicians as a class are corrupt whoever is in Government is going to steal money. And if once this is the theorem that is accepted as axiomatic by ordinary men

and women, what will happen? It is a hero-worshipping nation. We believe in portraying gods. We follow the cultural pattern laid down by our leadership. The leaders say, stealing is not dishonourable, the leaders set examples by encouraging others to steal from the public till, and therefore, we will also learn to steal all the way down, we will indulge in thievery and larceny. Slowly bit by bit, this is the philosophy which is being grafted into the minds of ordinary people. Forget about the fact that this was Mahatma Gandhi's territory once upon a time, forget the fact that till today, because of our lack of shame, we carry on in the name of 'Satyamewa Jayathe'. It is simply this we have accepted that larceny, dishonesty and stealing of public funds are honourable activities. There is a certain frenzy which has been set in motion by what the Government has done. What is that frenzy? Forget about production; we have to make as much money as we can make in the very sort period. Speculation at the expense of production. Speculate, speculate and speculate to the share market. The Government allowed money to the crooks so that they could use that money in the sahre market. So, such activities have the sanction of the Government, the blessings of the Government. So, you also try to make some quick money. This is what is happening.

Now the Finance Minister laments that there has been so little of capital formation in the last three or four years. He should not lament.

After all, he is responsible for this lack of capital formation. He has been having a policy of encouraging luxurious consumption and, in addition, a policy of encouraging speculation in the system. Anything can go as long as you really encourage speculative demeanour by individuals here and there.

Americans are very smart people. For the under-developed countries, they write learned treatise on the role of corruption in economic development. 'These are under-developed people. They are by definition dishonest people, and if you want to hasten the process of economic development over there, there has to be corruption.' So, if things go wrong in an under-developed country, they say it is a very good things, and some young Ph. Ds write theses about the role of corruption in economic development. But at least in their own country, they are very strict. They have strict anti-trust laws. They have strict price regulatory laws. If a steel boss does some hanky-panky with steel pricing or on stocking of steel beyond what the Government wanted, he would be sent to prison. If somebody would fudge his income-tax accounts, he will be sent to prison. Even a President cannot get away by indulging in impropricties. But for us, apparently, we can indulge in all kinds of improprieties, and think that after all, the people forget. I need not say much further on this. I have just a notion that in this mileu, please don't expect that there will be any economic development of any appreciable order, because the message has gone down from the top—steal, steal, steal; it is not dishonourable to steal and filch. And, therefore, everybody will steel. You say you will build bridges wrong materials or inferior materials will be put in a bridge which will break down. You lay railway tracks and the tracks will give away. You try to run telecommunication network, you want to be up with the 21st century, but your telecommunication network will collapse. This is what is bothering me more than anything else. It is not that thousand crores more or less, might have been stolen. This is only a symbol of what is happening in the very base of the economy. We have crossed over from being a Mahatma Gandhi country into a country where only the corrupt will have the honour, and I don't think, on that basis we can survive as a nation for very long. All I can hope is that finally a catharsis will take place, and the catharsis will take place at other levels, despite what we do within the precincts of Parliament. Even Parliament can be

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corrupted, as we have seen. I do not want to elaborate on this you find that Members who have been elected on a certain mandate forget that mandate and cross over to the other side. They think they have been let off. Obviously they think that the mandate is powerless. This is happening at our level. But there are the people outside, who will judge. Whether they judge in byelections or in a general election, it does not matter. If you and I are not judged through the Parliamentary elections, there are other modalities through which the people will answer the corrupt ones. That is all I have to say in the course of this intervention.

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Now we adjourn for lunch till 2.30.

The House then adjourned for lunch at forty minutes past one of the clock.

The House reassembled, after lunch, at thirty-five minutes past two of the clock,

[The Vice-Chairman (Shrimati Kamla Sinha) in the Chair.]

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA) we continue with the discussion on the Calling Attention motion. Shri Chimanbhai Mehta.

SHRI CHIMANBHAI MEHTA (Gujarat): Madam, this is a very important Calling-Attention motion put forward by several hon. Members, and we want that the Government should respond to the Calling-Attention motion and the 273 recommendations that have been made by the JPC. I think I should not prejudge the action that the Government is going to take or adopt any stand, as the hon. Finance Minister has given a brief report, which is called a no-report or a non-statement; but that was the only thing he could produce here. So, there are many issues which are being investigated, and it will be too premature for me to come to advance conclusions whether the Government is on the wrong line or on the right line. Personally, I think, the entire House reposes confidence in Dr. Manmohan Singh, but Government is Government. I know Mr. Finance Minister, that your prestige had gone very high when you submitted your resignation, and subsequently the entire country, barring a few persons, requested you to continue and not press your resignation. So, the investigation under your authority, I hope, is going to be fair and judicious.

Now the JPC, with its 273 recommendations, feels that there is a nexus of industrial houses, bankers and brokers. I do not know why they missed politicians. Industrial houses, bankers and brokers cannot build a nexus without the strong backing of politicians. Here I find that the JPC report has a number of lacunae, if not total failure, in understanding the situation. I do not want to name anybody, but during the end of 1989 and most part of the year 1990, Rs. 2,000 crores were privately placed investments by the Railway Finance Corporation. Somehow the JPC kept mum about the persons responsible or answerable for the private placement of these Rs. 2,000 crores. Maybe the gentleman belonged to the Opposition, but the truth has to be ascertained. And the Oil Development Board, during the scam period itself, placed more than Rs. 500 crores for Portfolio Management Scheme, only in three banks. The JPC did make some reference to the Minister concerned, but they did not clinch the issue. Anyway, whatever was narrated was a very serious matter and any Minister—it was not a question of constitutional responsibility—would have thought of resigning. But then that Minister asked, why should I resign?

Then, why did Mr. Chidambaram resign? He should have followed the ethics laid down by his own party. But, here, somehow truth is being neutralised in the charges and counter-charges. A

broker, known as a fraudulent person, charged the prime Minister of taking Rs. 1 crore, and the next day most of the Opposition leaders demanded the resignation of the Prime Minister on the basis of the charges of the fraudulent broker. They did not wait. The JPC did not call the Prime Minister. I do not know why. They had every right to call the Prime Minister for explanation. Harshad Mehta has changed his statement. But, even relying on his statement at that time a no-confidence motion was moved in the Lok Sabha. This is a very serious matter. Can a broker move the entire system like this? One should ponder over it.

I would just mention that the Minister should have resigned. Shankaranandji went on issuing statements, "Why should I resign? I am not holding brief for this party, the Congress Party, and I do not hold brief for the Opposition also. They are relying upon the charge of the broker, a manipulator, a fraudulent character. You have said everything about is in the Report. On that basis you demanded the resignation of the Prime Minister of India, the highest Government executive. I know a JPC report can never produce a balanced judgement. When you say that there is a nexus among brokers, bankers, and industrial houses and you do not mention politicians even in a general manner, I say that there is something wrong in the thinking of the JPC Members.

Now I come to the real point.

SHRI GURUDAS DAS GUPTA: Were the earlier points unreal?

SHRI GHIMANBAHI MEHTA: I did not disturb you. You are allowed to intervene. That will give me a little more chance.

The point is that for the last three years the Lok Sabha has been in existence. The new Government, the Narasimha Rao Government has been in existence. The Opposition has been vocal every time about corruption. They should be. It is their duty. I congratulate them. But, is just exposing the ruling party enough? Have you finished your job at that?

I can make a wild allegation and get a headline in the newspapers because the media is interested in sensation-mongering. Just now I can name a particular Member and say that he was in the pay of Harshad Mehta. Would it be correct for me? The media is interested in cheap sensation—mongering. The media have abdicated their responsibility of responsible journalism.

To prevent corruption, have you got any solution, any suggestion? I am not talking of elimination but prevention and curbing of corruption.

SHRI S. JAIPAL REDDY: Lok Pal.

SHRI CHIMANBHAI MEHTA: Yes, you have rightly said it. The Parliament decided about it five times. The Bill on the Lok Pal was introduced, but there was no will power. Therefore, the Bill could not be passed. For the last 25 years we are making attempts to pass the Lok Pal Bill. That is a very important story. That has shown to what extent we are determined to root out corruption. What prevented the Opposition from bringing a non-official Lok Pal Bill? All of us would have supported you. Three years have passed. You have tried to do so neither here nor in the Lok Sabha. For the JPC Report in the last session we gave two days. This time we will be going up to the evening probably. What is the concrete result? The Lok Pal must be established. The authority both to investigate and prosecute should be given to it. Under his jurisdiction, all Ministers should be there, including the Prime Minister. Let us decide about it today itself. That is the real issue and not the 273 recommendations which is a small matter compared to this big issue.

We have discussed in this House the President's Address for two or three days. I want to say that not a single Member had mentioned about

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corruption. The President's Address also did not mention about corruption. I had an opportunity to speak on this issue. I took up only one item. There I referred to the Lok Pal Bill, and about the Bundestat, the German Parliament. It is a Constitutional authority there. If a member moves a motion for investigation into corruption against any higher-up, the motion would be considered as carried even if three-fourth majority of members oppose it because corruption is not considered as a party issue. Even one forth vote of a member of the Bundestate is considered as a responsible one. What is preventing the Government to enact such a law here? our democracy is many decades old. There were highest inquiry commissions against various Chief Ministers during the last 25 years. All the inquiry commissions held the Chief Ministers guilty. After all an inquiry commission is an inquiry Commission. The appropriate Government should have taken appropriate action but they never took any action. Is corruption not bound to go up? If you do not enact the Lok Pal Bill there or a system which exists in the Bundestat, there will a hundred Harshad Mehtas in this country. I am not interested in pointing to a particular Minister interested in pointing to a particular Minister from the Treasury Benches or a Member from the Opposition side. That is a very small matter. Let us run as a nation. Let us not go to the Press and sensationalise our names and get photographs. वही जैसे रद्दी की बात, कोई सुबह में पढ़ता है, रद्दी हो जाता है शाम को, उसके लिए इतना हम हल्ला-गुल्ला इधर करते है, कभी-कभी तो घंटे तक।

Therefore, the real and effective way to counter corruption in public life is to enact the Lok Pal Bill. If you are not sincere, in the next session I will request all the Opposition Members and also Congress Members to move a Bill. I wrote a letter to the Leader of the Opposition in Lok Sabha, Mr. Vajpayee regarding the Lok Pal Bill. I was happy over his spontaneous reaction. He said that it should be done immediately. I also wrote a letter to another person on this side. It was Shri Manmohan Singh. I wrote to him whether I can publish his letter; otherwise I would not have mentioned his name. He said that may suggestion for enactment of the Lok Pal Bill merits consideration. This is how both good parties are prepared to agreed with it. Therefore, let us go to the basic issue, the fundamental issue. The recommendations which the JPC has made should be addressed by June. Let the report come. Let me not prejudge because this House also should play the role of a judge since the JPC has given a report.

As I have mentioned two examples, they never talk of the Railway Finance Corporation finances. This party defends its own Ministers as if the nation is not in the picture. I have no axe to grind. I would request that to curb this corruption, the Lok Pal Bill or a Bill having the mechanism of the Bundestat be enacted here. If we are serious about Rs. 10,000 crores of people of this country, then, you should enact such a law and not slur over. The corruption has eroded your life.

Not only that. Yesterday, an industrialist of Bombay was killed, the labour movement is divided. Corruption has corroded your life. Not only that. What happened in Bombay? The whole labour movement is divided. Things are handled from Dubai. There is much more and that is subversion of freedom. You are coming to it. (*Time-bellrings*). I have finished, Madam, Thank you.

SHRI TRILOKI NATH CHATURVEDI (Uttar Pradesh): Madam Vice-Chairperson, the calling-attention motion that we are discussing today deals with a matter of grave import not only for what happened in the past—I am sure action would be taken-but also from the point of view of the future.

Madam Vice-Chairperson, the

statement that the hon. Minister has made reminds me of a story at the commencement of my civil service career. There was an American expert appointed by the U.P. Government in the Etawa Project. The Governor was pleased to appoint him. After one and a half years, he was dismissed. The letter also said, "The Governor is pleased to dismiss you." This particular gentleman brought that letter to Dr. Aditya Nath Jha who was the Development Commissioner in U.P. at that time and said, "Your Governor is a jolly good person. He is pleased to appoint me. He is also pleased to dismiss me. "The same is the condition here. He is pleased to say that 273 recommendations, observations, conclusions of the Committee have been processed. He has also said that he is pleased to inform that a good progress has been made but gives no details. I am sure during this period, a lot of things must have been done. But what surprises me a bit is this. The hon. Finance Minister was the Secretary to the Government. His Ministry was also the nodal Ministry for the prupose of coordination during the JPC. He knows the problem of coordination. He is well familiar with the time-consuming work as well as the volume of the work that is involved so far as this report is concerned. The Budget was also not something of an unforeseen kind of situation. That is why I am a little surprised why he did not ask for time much earlier or why he did not say that instead of three months probably, six months or so might be needed to do justice to action taken report. The annual report of the Ministry of finance does make some cursory mention of the action that has been taken. I do not know how to categorise them or how to qualify them or how to number the various recommendations and so. But something is revealed and something is concealed. I do not say it is done so deliberately. But I am not sure what exactly has actually been done. These things do not give an idea, from the view-point of the future, as to what really the Ministry has done, what the Reserve Bank of India has done. I wish the Minister had at least given some information about what work the CBI had done and the work the Central Board of Direct Taxes had done. in pursuance of the matters which were entrusted to them or the matters, which as suggested by the Committee ought to be pursued. Sometimes it looks as if this kind of delay is a little but in conformity with or in consonance with what happened even in the background of that time when the Committee, the JPC, was constituted. There was all along an attempt to denigrate the importance of the JPC or the results of the JPC, from the very beginning, from different quarters. There was also an unfortunate incident which gave a wrong impression that prabably there was an attempt to selectively brief some persons or to conceal some information from others. This was not a very happy start so far as this Committee was concerned. After the Committee's report was submitted, another unfortunate thing which happened was that the Minister of Parliamentary Affairs made a comment: "This is not the report of the commission. This is the report of the Committee. This is not the Mudra Commission. This is not under the Commission of Enquiries Act." What kind of respect the Goverment has for a report of the Committee of this kind which produced a report of the Committee of this kind which produced a report without any kind of difference so far as the entire body of the report is concerned. There may be some shades of differences which were reflected in the notes called the supplementary notes. I am very sorry to say if one were to ask the Minister of Parliamentary Affairs, who is quite conversant with all the political acrobatics, if it had been the question of the Commission's report, then it should not have taken ten years for the cases to be registered in respect of the massacre which occurred in 1984. But that shows the kind of the attitude all

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along. The Finance Minister assured this House as well as the people outside that the guilty would be punished and action would be taken. The Prime Minister also said that the guilty would be punished and action would be taken. This is the type of climate you created which unfortunately undermined the faith of the people in the Government. They do not know whether the Government is really going to do something or it is just waiting for the people to forget the entire thing or it is waiting for another mega Securities Scam to take place so that the memory of this Scam completely fades away. I wish a few things had been done. As a Member of the JPC, I had no occasion to speak on any of these things. But I still feel that some of the things could have been done. The first thing is that the use of the CBI for investigation of the cases could have been done effectively as was possible in the case of earlier Joint Parliamentary Committees where the Chairmen were vested with some powers. I do not want to go into the question of delays that took place and a number of difficulties which cropped up in the investigations. It was like a paralysis type of situation where they were waiting for some due or some hint from others to proceed. What promises were made to JPC by different Directors of the CBI? Sometimes it looked as if they were taking us on a false trail saying that Niranjan Shah who was Harshad Mehta's man, was also a smuggler of drugs and narcotics, now he has been arrested and a lot of thing will be divulged. Ultimately, nothing came out of it. Sometimes, we were asked not to put such questions because a great political sensitivity was involved in the matter. They were required to discuss the matter with Mr. Agarwal, another colleague of Mr. Harshad Mehta or a cohort of Harshad Mehta at Delhi and then they would come out with some statement. Ultimately, we found that the CBI was much more legalistic than those who make the laws in this Parliament. There were a number of other things. For the sake of continuity, the JPC wanted one Director to continue for a longer period. But the way it functioned was simply disturbing. I think it is time for us to decide whether the CBI has to be entrusted with this kind of inquiry. If it is so, then what should be the pattern of its deployment, the pattern of its utilisation? I would also like to suggest, as had been suggested by many of us earlier, that the proceedings should have been open to the public.

3.00 P.M.

...as was done in the Mundhra case. I wish I could quote the justification given by Justice Chagla when he mentioned as to why he was adopting this particular procedure. It is true, as has been said, that Sunshine is the best disinfectant. A lot of things are given in the evidence, voluminous evidence, but everything is not reflected so far as the Report is concerned. I am sure that the Finance Minister will take note of a number of things and pursue a large number of points that have emerged from evidence and see that they are properly looked into and pursued to the end. That is very important. I wish I could mention some of the things contained in evidence which voluminous in nature.

Then, many other things which have been said by way of criticism, that JPC did not do this, JPC did not do that would not be said. In the correct parliamentary tradition the JPC acted in moderation. There was a give-and-take, but it was not on principles. And we also wanted to satisfy ourselves that a number of things which had to be done by the other agencies could be left to them in good faith. And so far as the JPC is concerned, it has submitted its Report, though it had to ask for an extension and further extension, none of the Members really desired. That is why my suggestion to the hon. Minister, and also to others, is to let us know what was really done on Report. It is not that some of the things will appear in the daily briefing or will be known from the leakings made by

somebody, but you should know what type of environment was existing at that time, what the functioning was and what the pathetic condition was of banks and govt. There was lack of coordination in the various agencies which, I am sure, the hon. Minister wants to rectify. I hope that the Ministry will follow a number of other points—whether it is the case of Mr. Romesh Bhandari or a certain other matters but more important than this is the question of relationship and the place of this Committee because in one of the notes we have mentioned, "what kind of powers be given to the Parliamentary Committee to be effective, it is for the Parliament to decide and it is for the hon. House to decide." If we really appoint a Committee of this kind, what kind of teeth have to be imparted for effective functioning to that particular Committee is to be decided by the House.

Madam Vice-Chairperson, as was suggested by the Committee, a number of Commissions ought to have been appointed was after the Mundhra case, to enquire into the acts of omissions and commissions and the delinqency of the officers everywhere, whether it was in the bank, whether it was in the Government or in any other area. Had that been taken care of, delays in punishing the guilty would not have happened. In the Annual Report, something has been said about some special officers for this bank or that bank being appointed but it does not lead us anywhere. You know that even today the Supreme Court has passed about dismissal an order which you have either to contest or go in for revision, whatever it may be. That shows to what extent the persons who are influential, who are powerful, will try to defeat the very ends and the very purpose of this JPC. And what will the hon. Minister very honestly try to do?

Madam Vice-Chairman, I will certainly like to mention that both the evidence and the observations of the JPC make it necessary for the Finance Minister who is associated with so many academic bodies to see that the various aspects that they have touched upon, ought to be the subject-matter of some detailed study and further investigation. As the case is studied well, it will help him in finding out what ought to be done in future. It was already mentioned that the culture of accountability was completely absent. I do not want to go into this but it is a bit saddening to note that this JPC which produced a unanimous Report, would create so much of political acrimony. The Report of Justice Chagla in the Mundra Scandal cutting across party-lines, was discussed whether it was Feroze Gandhi or Ram Subhah Singh or Acharya Kripalani. But here is a unanimous report and, unfortunately, the way in which it has been dealt with enables my friend, Dr. Ashok Mitra, to say that so far as the Members are concerned, it is a direct slap on the JPC.

Madam Vice-Chairpersons, I would like to mention about the Ministerial accountability of responsibility. I am not one of those who subscribe to the theory that Dr. Manmohan Singh is a danger to the future of the country. Nor am I pressing for his resignation. (Time Bell rings).... Madam, I thought I have got 33 minutes or so.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): But we lost some time.

SHRI TRILOKI NATH CHATURVEDI: Madma, should that be at my cost? I am trying to state my points briefly.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Not at you cost, but at the cost of the House.

SHRI JAGDISH PRASAD MATHUR: Now there are three Members from the Congress. Earlier the decision was, maximum two Members from the Congress. Now their strength has also got reduced. So, they cannot have three speakers. They can cut down their time.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): We have to finish this by 3.30 P.M. The Minister will take some time. You have to economise on the time.

SHRI JAGDISH PRASAD MATHUR: Not on the issue.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): No, not on the issue.

SHRI TRILOKI NATH CHATURVEDI: I only wish to bring to the notice of the hon. Minister—I am not asking for his resignation; it is not necessary—that the concept of ministerial responsibility has to be preserved because it is also related to the administrative accountability of the persons who work down below at different levels. That is why I would just like to mention the principles of Chrichel Down case of 1954 in U.K.—I have no doubt that he is well aware of it—or the principles which the Chagla Commission had given or the principles which were enunciated on the basis of the Chagla Commission by Govind Ballabh Pant, the then Home Minister, while replying on behalf of the Government. In fact I wish I could quote somethings in detail. But I only mention one small para and I quote:

"But I would like it to be generally a rule that

> except where a Minister can be shown to be altogether free from blame and not at all responsible, for any act or omission which is open to objection or criticism he should assume responsibility. I think in this matter a little strictness would be better than leniecy."

The moral face of Dr. Manmohan Singh is supposed to provide legitimacy to the immoral actions of the Government. That something is surprising. Even he came out with a *sher-o-shairi* before commencing the Budget Speech as was printed. He talked of *karvan badtha gaya.* I thought he was a moral dissenter, he was the only sentinel of the finances of the country. But he also became part of the flock! He has also become part of the *karvan.* That was the most disturbing thing. As far as I am concerned, I am not interested in any ....*(Interruptions)*....

MISS SAROJ KHAPARDE (Maharashtra): You have also become a part of the BJP.

SHRI TRILOKI NATH CHATURVEDI: Nothing, Madam. I don't want to enter into argument with you. The age of economists has come but the age of chivalry is not yet dead. I would like to mention a number of things which have been done. As you have already rung the bell, I cannot go into them. But I certainly would like to mention a few things which merit consideration. I would like to mention here that there are a lot of human stories which will be evident from the evidence as well as from some of the books, a kind of cob-web of relationships mutuality of interests and so on. We have to see that these things do not happen in future. The Finance Minister will certainly look into these so as to prevent them and just not confine himself to the technical trivialities of some of these things. It is whether Mr. Das Gupta's book or many other books for that matter. I particularly mentioned the voluminous evidence of the JPC itself.

Then there is the question of PSUs. The entire mystery, this kind of a relationship, this nexus, the intricacies of that nexus between banks and brokers, the nexux between bureaucrats and politicans the involvement of huge gains, and to whom they have gone, that can only be unlocked through scrutiny of this PMS phenomenon. Sometimes, it seems that there was a mastermind working. Suddenly the funds of a public sector unit became available to a particular bank and then to a broker. The denial is that there is no broker involved. The CBI and even the evidence brings out a number of such

things. I think that this clue ought to be pursued.

Madam, I would like to draw your attention to one particular practice where a lot of officers have done very well. Take, for example, the Augustine Koreas report. There were probably many other working sincerely. The action should have been taken by RBI in 1986. I am not bothered about the particular date because what was just a drivel became a flood. I think a positive view should be taken in this regard. I would like to quote one para from Report of:

> "No one at the level of the Central Board of RBI—the Governor or the Deputy Governor— appears at any time between October 1986 and March, 1991 to have addressed the problem with the seriousness it warranted. As things went, the country had to pay a heavy price in thousands of crores of rupees for the lapses on the part of the RBI's top management during the crucial years."

This fact cannot be ignored. I would also like to mention about the role of foreign banks. I need not dilate on the role of the foreign banks Unfortunatley, the initiative is scam was taken by the foreign banks. The culture of the foreign banks was surprising to us. This type is called "Yuppies". The culture of deception and manipulation pervaded. A question was asked to them: Will the Federal Reserve Bank Board in the USA allow this kind of a situation? Can you get away with this in the United Kingdom? They will say that these were just regulations. But they were made to admit that what they had done was against the law of the land still they tried to keep a bold face. They will say these were the regulations of market practice. This word 'market practice' contains all the irregularities and many of them were illegalities. I would also like to suggest a number of other things apart from these buccaneer foreign bankers. One has to keep in view the functioning of the Reserve Bank and those who have faulted, however high and mighty. I hate to take any names. The then Deputy Governor of the Reserve Bank, tried to join a foreign bank. For 10 years he was there in RBI. There will not be even a discussion on important aspects between the Deputy Governor and the Governor. The Governor will not be kept apprised with the prevailing situation. There are a number of other persons whose names have been mentioned—either they are brokers or even some industrialists. This has figured today also. This has also to be followed, in whose interest all the money has come to brokers whether through the PMS and the public sector. There were some other industrial tycoons or industrialists who were interested in jacking up the prices of their shares. What kind of a role did they play? Some of these things have come in that Report. Madam Vice-Chairperson, I want to bring to the notice of the hon. Finance Minister one or two things more and I am done. He has said a lot of things, both in this House and elsewhere, about how our banks should be on a competitive level and so on. Recently, the Report of the Reserve Bank on Trends in Indian Banking indicating deterioration in banking has also come out. I wish I could mention it in detail. RBI issued guidelines about provisioning for loans and advances, non performing assets, advances against term-deposits advances granted under rehabilitation packages approved by BIFR, reversal of interest and so on. On all the provisions, orders were issued.

But they were revised again. And they were revised in a way which was almost a relaxation leading to window-dressing opportunities. Today morning, I happened to see a newsitem in the *Economic Times* captioned: "Norms revised to shore up bank bottom-line". Is this the way we want the norms to be revised? They were revised twice. The first revision was also towards relaxation.

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What is this for? What kind of a message will it send to investors? I would also wish to emphasise need for precautions in the role of the FIIs; I do recall that the hon. Finance Minister contested it. He did mention that the Reserve Bank and the SEBI would take care of that. Even while the JPC was in existence, we got a book called 'Money Launderer'. We also know how the immunity scheme was misused. I wish that this matter was looked into much more carefully in a much more consistent and sustained manner, whether by the SEBI or by anybody else in authority. There are a number of points to which I would have liked to draw the attention of the hon. Minister; it is not from the viewpoint of criticising him but to suggest what ought to be done in the future. Especially on the question of audit. In the Annual Report has been given to us there is a mention of a number of institutions but how they work we do not know. What is this Bureau for prevention of Frauds? What is its role? What have they done during the last four or five months? I wish we were at least given a list of various suggestions and conclusions that F.M. had counted as 273 culled from Report. If they had been listed, it would have been better for us. But I would like to mention that it is high time, considering what the Report has said, that we took care to see that moral rectitude was restored in the administration, the polity and economy. It is not for me to sermonise anything; Mr. Chimanbhai Mehta is much better equipped to do it. It has become a culture of non-accountability, of just passing on the buck to one's juniors and so on. This is the most amazing kind of a situation. Then comes the question of revision of procedures, policies, programmes, and so on constant attention is required so that this kind of a scam does not happen because people are putting a question: What about the future, after the Ministry takes action? I find that one very important industrial group is giving suggestions to the Government and the Reserve Bank about how securities should be traded. After all, if one such industrial group comes up with a book it will be followed by other industrial groups as well-like the arrival of spring after every winter—which would be giving suggestions about securities. That is why the people are asking the question: Will the Government do something to ensure that this kind of a situation does not arise in future? I do hope serious attempts are being made in that regard. Madam, I know the tyranny of the Ministry, not the tyranny of the Bell which is under your control. Therefore, I hope that the Finance Minister will pay proper attention to the notes which were appended to the report, the evidence that had been adduced before JPC without confining himself to the technical aspects of the report which the Minister called as observations, suggestions and conclusions. I learnt in the morning casually that an attempt was being made in a Ministry as there was no specific mention of any name or any guilt being attached to any particular officer of a particular public sector undertaking, and because the allegation is there in the body of the report and, therefore, nobody is guilty. This kind of a report is going to the Board of Directors. I don't want to name the persons or the public sector undertakings. But I am sure that with the kind of persons that Dr. Manmohan Singh is, he will pay serious attention to all these problems and discharge such attitudes.

Thank you, Madam Vice-Chairman.

SHRI JAIPAL REDDY: Madam Vice-Chairperson, as I rise to speak on the JPC report, I must confess that I am overcome by mixed feelings of gratification and grief, triumph and tragedy. Let me deal with the gratification and triumph parts. Here was one giant Parliamentary Committee on which all major parties were represented; they worked together; they quarrelled; they befriended; they exchanged notes and produced a consensus report. I must

unhesitatingly acknowledge the generous, unstinted assistance and co-operation extended to the Opposition Members by the Congress Members like Shri Jagesh Desai, Shri Hanumanthappa and Shri Ahluwalia, who is not here at the moment. The report itself was a triumph of the Indian parliamentary democracy. And this gratification is followed by grief. This triumph is followed by a tragedy. This report, produced after 500 hours of formal effort and 100 hours of informal effort, is being buried fathoms deep though its stink continues to rise to the high heavens. I am really depressed, frustrated, nay, outraged at the turn of events. It is indeed a classic case of love's labour lost! One had to be a Member of the JPC to experience the feelings I am going through. My blood boils, perhaps with impotent rage because we are helplessly watching the spectacle of go scot free the guilty of this gargantuan scam have escaped. I am also feeling ashamed to address questions to this Ministry which is scam-tainted. This whole Ministry has been tarred with one long black brush by the JPC. But the parliamentary procedures oblige me to put questions to the same Ministry. Dr. Manmohan Singh was, at that time, perhaps presiding over the scam unconsciously. But the Report has been followed up by another scam, the scam of cover-up. We must remember that the famous Watergate scandal related to cover-up. I am afraid, Dr. Singh is consciously presiding over this scam. I would, therefore, say to Dr. Singh in the interest of your own reputation, you please quit this Ministry. This Government does not deserve you, let me tell you. Do not try to lend credibility to this Government because of your personal reputation.

SHRI M.A. BABY: Jaipalji, I have to differ with you. Manmohanji does not deserve this Government.

SHRI S. JAIPAL REDDY: I therefore, not only plead with him to quit this Government, but I also demand this. I might not have done it so vigorously then as I am doing now because his failure is far more blatant now than it was then.

Madam, Dr. Singh, in the JPC Report, was only charged with sins of omission. There are other Ministers still adorning the Council of Ministers, who were charged with egregious sins of commission. And we are obliged to watch this spectacle hopelessly. The Report talked of the lethargic, lackadaisical manner in which the various things were dealt with. That lethargy continues to haunt, with this difference that the lethargy at that time was involuntary and the lethargy now is voluntary, deliberate, conscious, sedulous and what have you. And now, can I accuse Dr. Singh of inaction? No, Madam. The first thing this Government did after receiving the Report was to shift Mr. G.V. Ramakrishna, who was the only economic bureaucrat, who not only emerged unscathed from the scam but who also came out with flying colours.

SHRI ASHOK MITRA: That was his disqualification.

SHRI S. JAIPAL REDDY: His reputation was redoubtable before the JPC. The Finance Minister, Finance Secretary, the then RBI Governor Venkitaramanan and everybody had to take shelter under SEBI before JPC. What happened? That honest man was shunted out. There was criticism that he was shunted out because he looked into the Goldstar loan. I wish it were untrue. But the Government should come forward to meet this criticism.

SHRI H. HANUMANTHAPPA: Jaipalji, you are asking another honest man to resign.

SHRI JAGESH DESAI: There is no logic in what he is saying.

SHRI S. JAIPAL REDDY: I do not believe in negative honesty, I believe in positive honesty. You must take action against the guilty. By being clean

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yourself, you are not being completely honest.

Any way, now I come to the role of foreign banks. There is no dispute on this. The Janakiraman Committee Report and JPC Report, together stress the fact that foreign banks were the initiators of the scam and major players in it. Now, what happened? The Citibank was, of course, the lead player. Mr. Jayateerath Rao who, perhaps, commanded more clout than any Minister in Delhi, was allowed to be shifted from India, by the Citibank. The Chief General Manager of Citibank, Mr. Thiagarajan, was allowed to quit the Citibank quietly. Now, take the Vostro account. It was the ANZ Grindlays, which admitted to the guilt.....that they allowed Indian currency to be converted into hard currency and stashed away. They admitted. But our Government is generous. It does not even punish the self-confessed guilty.

Take the PSUs. We all know that the money came from the PSUs. Take the case of ONGC Chairman, Mr. S. L. Khosla. Most of these people had their children employed in foreign banks. It was only a coincidence and it has nothing to do with the scam. It was a coincidence and one cannot really blame anybody for that. Mr. Khosla's daughter was also employed in a foreign bank. And that man, after quitting as the Chairman of ONGC, quietly joins the Reliance Company, and now some kind of a wishy-washy charge-sheet has been filed against Mr. Navlakha of ONGC, and nothing more is heard of him. The whole blame was pinned down on one Mr. S.R. Gupte of Air India. I am not aware as to whether any charge-sheet has been filed against him so far. We have KRIBHCO, IIFCO, who committed crimes galore with the conscious knowledge of the Fertilizer Ministry. The CBI has not so far looked into that. Then we have the Power Finance Corporation, the Indian Railway Finance Corporation. Vayudoot M.D. was allowed to retire gracefully. Our Minister can turn round and say: 'Look, I am not in charge of PSUs.' Then, you don't answer. Let the Prime Minister come and answer for the simple reason that the Prime Minister also handles many portfolios, the Fertilizers, the Industry, and secondly he is responsible for all the Ministers and the Ministries.

I do not know why Hiten Dalal and Bhupen Dalal are being treated with kid gloves. Bhupen Dalal was said to have a vast illegal overseas estate. Standard Chartered Bank commissioned its own investigation and produced a report which showed the traces of the overseas moneys of Mr. Bhupen Dalal. What did the CBI do? Did the CBI act in the matter?

We were told by the CBI, through the press and otherwise, that Mr. Krishnamoorthy, a former Member of the Planning Commission, had stashed away ten million U.S. dollars. The CBI also got reports to this effect published in a section of the press. What has happened to the enquiry into this? These are not the figures I have taken out of my hat.

In the National Housing Bank, one Mr. P.K. Parthasarathy, who has not fortunately kicked the bucket like his boss, Mr. Pherruwani was to be proceeded against by the C.B.I.

But the Finance Ministry, I am told, stood in the way. I am making this statement, only to be corrected by the Finance Minister, if I am wrong.

Mr. Hoshangada, the Chief General Manager of the National Housing Bank, was also sought to be prosecuted by the C.B.I. Permission has been similarly denied in his case, we are told.

Then, Madam, the Government appointed a Committee to look into the end-use of the money. I am told, an interim report has been submitted. The Finance Minister has kept the report close to his chest. May I tell Dr. Singh that he was unwise this morning through

his non-statement? Nothing more would have exposed the guilt of the Government, no amount of impassioned eloguence on our part would have exposed the Government, to the marrow of its bone than this non-statement. This shows that you have to much to conceal; you have so much to hide. You are hiding your head like an ostritch, in the sand of shame. (*Time-bell rings*)

Madam, the Janakiraman Committee's Report said that the hike in the coupon rate got leaked out. We all know that the decision to hike the coupon rate is taken by a very small elite group comprising the Finance Minister, the Finance Secretary, perhaps, the Banking Secretary, the R.B.I. Governor and the Chief Economic Advisor and no more. Who had leaked it out? I am told, in a characteristic fashion, some junior officials are being sought to be blamed.

With great fanfare, Mr. Niranjan Shah was brought back to India. Was he brought back to silence Mr. Harshad Mehta? What happened? What did he say? The Government threatened to spill the beans through Mr. Niranjan Shah. Why is there such a grave silence in regard to Mr. Niranjan Shah?

Now, about promoters' shares. This has already been referred to. Many Ministers, many Government officials, have been favoured with promoters' shares of many blue-chip companies. The Report wanted action to be taken. The Report did not want action to be taken with prospective effect. The Report wanted the thing to be enquired into and action taken with retrospective effect. What action have you taken?

Madam, the J.P.C. tabled a privilege motion against Mr. Harshad Mehta for having misled the J.P.C. He did mislead the J.P.C. He was an untruthful witness. We charged him with having misled the J.P.C.

SHRI MANMOHAN SINGH: Is that the fault of the Government?

SHRI JAGESH DESAI: How does it concern the Government, Mr. Jaipal Reddy? You should say something which is logical.

SHRI MADAN BHATIA: This is a reflection on the House, Madam. This is a reflection on Parliament. This has nothing to do with the Government. The hon. Member should not make any reflection on Parliament. I request him. He is a very seasoned parliamentrian.

SHRI S. JAIPAL REDDY: Madam, I did not want the Government to answer. I was only giving expression to my anguish.

SHRI JAGESH DESAI: Even, then, Mr. Jaipal Reddy, you should not say like that.

SHRI S. JAIPAL REDDY: Okay; I have no objection if it is expunged.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): The matter would be looked into. (*Interruptions*) The Member has already said that if it is objectionable, it can be expunged.

SHRI S. JAIPAL REDDY: I am not saying that the Government is guilty. I only wanted to know where the matter rests.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): If it is objectionable, it will be expunged. You can continue now.

SHRI MADAN BHATIA: Madam, this is a reflection on Parliament. This is a reflection on the Presiding Officers of both the Houses. This is very serious.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): It has been expunged.

SHRI S. JAIPAL REDDY: Okay; I withdraw it.

Now the JPC report wanted senior officials of banks to be punished, not some Ravi Kumars. What did you do about it? We wanted them to be removed from service, we wanted criminal

* Expunged as ordered by the Chair.

[Shri S. Jaipal Reddy]

prosecution to be launched against them. Did you launch a single criminal prosecution against any one of them? Now the JPC also said that memos were being issued time and again by the RBI, and they must all be brought and in a compendium for ready reference. Did you at least prepare a compendium? The JPC report wanted you to constitute a Central Audit Authority for looking into the banks' transactions without violating the basic secrecy. Did you consider that recommendation? We have always demanded a Standing Committee of Parliament on Banking Affairs, without allowing to embark on roving expeditions or fishing expeditions; no. That Standing Committee of Parliament on Banking Affairs could look into the adverse paras produced either by the C & AG or its equivalent Central authority.

Madam, the failure of auditors was colossal. Mr. Jagesh Desai, as an auditor, felt ashamed of all this. And we made recommendations that the RBI and the Institute of Chartered Accountants should look into this and get the auditors punished. Did you get criminal prosecution launched against a single auditor?

Now, industrial houses. It is very clear that the Reliance Industries, Apollo Tyres and United Breweries were involved in this scam. We wanted the CBDT to look this nexus. Did the CBDT produce a report? And we wanted the CBI to explore and establish the connection between politicians and the scam, because behind every transaction of a PSU we could see the hand of a Minister, though we could not show the hand of a minister in each case. It is one thing to see and another thing to show.

Then, the RBI. Did you take any step against Venkitaramanan, Amitava Ghosh, anybody? Did you give a notice to them? You are afraid, because they would in turn spill the beans.

SHRI JAGESH DESAI: We know what was going on in 1986. Don't forget that.....*(Interruptions)* ...

SHRI SOM PAL (Uttar Pradesh): This scam has been going on for decades. That is what we are worried about, Mr. Jagesh Desai. For four decades you have been eating into the vitals of this country. That is what we are worried about.

SHRI JAGESH DESAI: When you were in power, what happened at that time?

SHRI SOM PAL: Can you name any one scandal? ...*(Interruptions)*..

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Jagesh Desaiji, please take your seat. Som Palji, please take your seat. Jaipalji, kindly try to conclude.

SHRI S. JAIPAL REDDY: I can appreciate the synthetic anger of Mr. Jagesh Desai on record — I know his real anger off the record! ...*(Interruptions)*..

SHRI MANMOHAN SINGH: It is a very derogatory remark.

SHRI S. JAIPAL REDDY: In fine, may I ask, Madam, as to what was the total amount lost in the scam. The JPC confessed, candidly, that it was not in a position to compute, because the CBI said Rs. 8,000 crores, the Janakiraman Committee said Rs. 4,000-odd crores, and the Custodian said more than Rs. 3,000 crores. And this was not including the thousands of crores lost by millions of small shareholders. You were supposed to constitute a committee. But I don't see the pangs of labour on the part of such a committee. So, Madam, it is very important that the Minister for Finance should either come clean or quit. Since he cannot come clean, the only option he has is to quit. I know he will not quit, but that will be to his own everlasting diseredit.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Hon. Members, at four o'clock the House will

be taking up the Resolution congratulating the Government and the people of South Africa on their historic achievement.

Shri Rajendra Prasad Mody not present.

Shri Jagesh Desai.

SHRI JAGESH DESAI: Madam Vice-Chairman, first of all, I would like to point out that there are some Committees of Parliament, like the Public Accounts Committee, whose Chairmen are always from the Opposition. The Government incurs expenditure. The Public Accounts Committee examines, according to the reports of the CAG, whether the money was spent for the purpose for which it was allocated. Similarly, there is a very good convention that the Assurances Committee is always headed by a Member from the Opposition.

[The Vice-Chairman (Miss Saroj Khaparde) in the Chair]

SHRI JAGDISH PRASAD MATHUR: Let us congratulate the new Vice-Chairman who has come just now.

SHRIMATI MARGARET ALVA: She has already been presiding over the House. You have not been here.

SHRI JAGDISH PRASAD MATHUR: Then, I think, this is the opportunity for me to congratulate her.

SHRI JAGESH DESAI: Similarly, the Assurances Committee has a very good convention that its Chairman is always from the Opposition because the Committee sees whether assurances given by Ministers are fulfilled within the time-frame. If an assurance is not fulfilled in time, that Committee can take it into account, and after discussion it can take necessary action.

Similarly, the Assurances Committee of our House is also headed by a Member from the Opposition. Was it not the duty of the Chairman at least to write to the Ministry saying that that three months have passed but the Action Taken Report has not been placed before the House? They could have thought that at least they should give the Progress Report, which they failed. If they had asked for the Progress Report, many actions taken by the Government would have come to the notice of the Committee. The Committee could have called a meeting. It could have examined the witnesses of the Finance Ministry, and wherever action was not taken in time, it could have ascertained the reasons. Unfortunately, that was not done. If that was done, I am sure, many of the actions taken by the Government would have come to the knowledge of the Committee. They could have discussed about them and recommended some actions. If they were not satisfied, they could have discussed with the witnesses. The Committee could have said, "We are not satisfied. Again look into it." ...*(Interruptions)*

I am talking about the Assurances Committee of Parliament.

The Opposition is the watchdog of Parliament, but I am very much pained to say this because I happened to be the Chairman of the Committee when we were in the Opposition. Much good work was done by that Committee with the co-operation of all the members because they had never viewed things on party lines. Before I come to the major issues I want to raise, I would like to read two paragraphs of the Report. Madam, this is Overview at page 7:

> "The scam is basically a deliberate and criminal misuse of public funds through various types of securities transactions with the aim of illegality, syphoning of funds of banks and PSUs to select brokers for speculative returns. The latest irregularities in the securities and banking transactions are manifestations of this chronic disorder since they involve not only banks but also stock markets, financial institutions, PSUs, the central bank of the country and even the Ministry of Finance, other economic Ministries in various degrees."

[Shri Jagesh Desai]

..other economic Ministries in various degrees. The most unfortunate aspect has been the emergence of this culture of non-accountability which permeated all sections of Government banking system over the years. This grave and numerous irregularities persisted for so long that eventually it was not the observance of the regulations but their breach that came to be regarded and defended as market practice. So, all these years the ability of the concerned authorities to effectively address themselves to the problem has been tested and found wanting."

This show that it came to light much before we came to power. When we came to power we took action to bring it out. It was going since 1986. They were in power at that time. In the year 1986 the public sector bonds were floated. But they never cared to see that the funds were utilised for the purpose of development. At that time the then Finance Minister never took that into account. They have allowed things to be done this manner. If they have seen to it that the public sector undertakings utilised the funds for the purpose of development, then, these funds would not have gone to the banks, to the PMS and through PMS to the brokers. I do not to be harsh. But let me be very frank because this issue was discussed threadbare in the JPC meetings. I was very much agitated over this issue. When it had happened in 1986, why did the Finance Minister and aother Ministers not take action?

Madam Vice-Chairperson, I would like to talk about one person who is not alive today. He was Chairman of the UTI. He played havoc with the funds of the UTI. He had invested the UTI funds recklessly in speculative transactions. That officer had been transferred to the other public sector undertaking. If I were the Minister at that time I would have sacked that officer. Then the affairs of the National Housing Bank would not have been in this kind of difficulty.

Dr. Ashok Mitra talked about socialism. I had pointed out that I was agitated over the issue of giving advances toa the priority sector by the foreign banks. At that time there was a stipulation that they have to invest up to 15 per cent in the priority sector. All the four foreign banks were involved in these transactions. Then, the difficulty has started. What did the then Finance Minister do? Was it not his duty to see that the foreign banks gave advances to the priority sector according to their norms? They did not take any action. When Dr. Manmohan Singh became the Finance Minister, the first action he took was that instead of 15 per cent, he made it 30 per cent. it was not done by the previous Government. You never did anything. When we came to power in June, 1991 we did it. At that time the situation was so bad economically and financially, it took us some time to repair it. The whole attention of the Finance Minister was focussed on foreign exchange receipts so that the country could survive.

Shri Jaipal Reddy spoke about so many things. He talked about auditors., Yes, Chartered Accountants have failed in their duties. Names of the banks where auditors have failed in their duties have been named in the report. What we wanted in the JPC report was that the Reserve Bank of India should take up this matter with the Institute of Chartered Accountants because that is the authority which can take disciplinary action against them. I would like to know from the Finance Minister whether the Reserve Bank of India has taken up this matter with the Institute of the Chartered Accountants. If not, please see that it is done. As far as I understand, our Finance Minister would have instructed the Reserve Bank of India to take that action. I am sure about it because he will not tolerate any nonsense in his Department.

Everybody certifies to it that he is one of the honest Minsters the country has ever produced. Let us have full faith in

him. Give hime time. if you want a strong and effective action, you have to discuss with so many people. You should find out the pros and cons of the action taken or to be taken. If you want to improve the system, if you want to make such changes which can regulate, which can be effectively put to practice, you have to give him time. Now, what has happened? After the report was placed before both the Houses of Parliament, Budget work started. For one week, he could not spend any time on this. Immediately, after the report he offered his resignation and for one week, he did not do any thing. That time was also lost. Then there were discussions on the General Budget and there was not enough time for him to look into this and apply his mind, to discuss with his officers. It is not just his Ministry that is concerned. His is only the nodal Ministry. There are various Ministries connected. He has to coordinate and he has to know the action taken by them and then compile them. After the compilation, and after knowing where they feel that the Acts have to be changed, he can remmend. Just because three months are over, should he give a haphazard report? I never like that kind of reports. I do not like such reports from any Minister. I am sure that he will apply his mind and will come to us with excellent suggestions and schemes and proposals for action against those who are indicted.

[The Deputy Chairman *in the Chair]*

As far as the foreign banks are concerned, I would like to know this. When opening new branches are followed to the foreign banks, have you given any instruction or has the RBI given any instruction that those banks which are involved in the Scam case, that aspect should be taken into account while allowing them to open new branches?

Coming to income-tax have the assessments in respect of Harshad Mehta, Bhupen Dalal and the others who are involved for the period up to 1991-92 been completed? If so, what is the amount of demand made on them? I would like to have that information. The most important aspect of the Scam is that of the end-uses. Ultimately, where has this money gone? Unfortunately, the JPC did not have that kind of machinery with it by which it could come to the conclusion as to where the money had gone. An Inter-Disciplinary Group under the Chairmanship of Custodian and members from the RBI, the CBI, the Income Tax and the Enforcement Directorate has been constituted and has been engaged in the exercise of tracing the end-users of the money involved in the Scam. Iwould like to know the progress of this Committee. When is the Committee expected to submit its report so that we might know who the persons involved are and what action could be taken? I would also like to have information about the attachment of the shares, benami shares, of Harshad Mehta. What is the quantum and what action is being taken? I would also like to know from the Minister aboaut the supervisory set-up of the RBI which was introduced in December 1993. How is it functioning and what type of control is it having? We have also suggested that the mutual fund operations of the UTI should be brought under the supervision and regulatory system of the CBI. I would like to know from the Minister what he as done about that.

4.00 P.M.

I would also like to know from you about the stock exchanges because these brokers have to be restrained. The SEBI has been created by you. You have given instructions also. The SEBI is also giving instructions to the stock exchanges. Earlier, the management of all the stock exchanges was in the hands of the elected brokers of the stock exchanges. Now, I understand that 50 per cent will be the elected stock brokers and 50 per cent of them will be the Government nominees and other

[Shri Jagesh Desai]

renowned persons. I would like to know whether that system has been introduced or not.

As regards the disciplining of the brokers and those who who incur default, if I am a broker and again I am on that the Committee, then I will be lenient. You have to see that the Disciplinary Committee takes a correct stand and punish the brokers who are misbehaving, who are not keeping the correct accounts and who are not getting their accounts audited. In that Committee, only 40 per cent will be elected stock brokers and 60 poer cent will be outsiders. I would like to know whether that recommendation has been accepted and implemented by the SEBI or not. We have to see that right from 1986, all those who were involved in the Securities Scam should be brought to book. It is not that this Government alone is responsible for the Securities Scam. On the contrary, after this Government came to power, they have taken action. But I would not like to give the names of those who did nothing but gave sermons only. I would not like to give the name of the Minister. It is now in evidence and the evidence can be quoted also. I asked a question: "When he was the Minister, why did he not see that the public sector undertakings's funds were diverted for the purpose of development?" he said: "I have just told them that they should." "If he had acted upon that, then the funds would not have been available for the brokers. But he has not done that." I feel that the real cause of the Securities Scam was that the funds were allowed, I don't say deliberately, but, because they were fighting among themseleves, they never bothered to take care of the interests of the investors and allowed the funds of the public sector undertakings to be diverted to the brokers. This was the reason for the occurence of the Securities Scam. So, we have to learn a lesson from this. We have to see that the funds of the public sector undertakings are used for the purpose for which they have been allowed. If the funds are allowed by the Finance Ministry, till the time they do not require them for the purpose of development, they should not be spent. You keep a separate account. Let there be a separate account. Whenever they require them for the purpose of development, give them. You can maintain a separate account. But if the funds are again diverted to this kind of things, the, I think, there will be havoc. I know that actions have been taken by the Government. Even during the course of discussion in the JPC, actions were taken. I would like that the Government should come forward with the actions taken during the JPC discussions and whatever action has been taken after that I have no objection if you take more time. But you should come out with the concrete measures so that what has happened in the past will not be repeated in future. Mr. Minister, I have full faith and confidence in you. I am seeing the action that you are taking, I am seeing how the SEBI is doing it. I am also seeing how the SEBI is geared to discipline the brokers. I am sure, the Minister will take utmost care of the small investors. In the banking system you have done it by having reforms, that is, by having a supervisory system. But you have to see to it that it works properly.

As regards foreign banks, I feel that the time has come to find out how we can do it. It may be done either through the agency of the CAG or through a national Audit Bureau. But it has to be seen that it is the people's money and the people's money should not be allowed to be squandered away. In order to keep proper control, there should be effective auditing. With these words, I again compliment the Minister for whatever action he has taken and I am confident that the Minister will come out with comprehensive measures so that nobody will feel that the Government is ignoring the report of the JPC. The JPC has done a commendable job and Mr. Jaipal Reddy and all others worked as a team. There may be some kind of difference in the approach. They said that the

Securities Scam is there from 1991. I said, "No, it has been going on since 1986," and, ultimately, they had to agree to this view-point. It might have come to surface in 1991. But it was there even in the early '80's. I am sure that the Finance Ministry under your stewardship, will see to it that proper steps are taken so that this kind of things are not repeated. Thank you.

THE DEPUTY CHAIRMAN: Now, we will have a Resolution on the historic day.

RESOLUTION ON THE FORMATION OF NEW GOVERNMENT IN SOUTH AFRICA

THE MINISTER OF HOME AFFAIRS (SHRI S.B. CHAVAN): Madam Deputy Chairman, today is a special day for South Africa, and the whole world. A new Government elected on the basis of the first ever multi-racial elections assumed office in South Africa today, and Nelson Mandela ahas been elected as democratic South Africa's first President. As the people of South Africa celebrate the dawn of freedom, we the people of India convey our joy and happiness for what they have achieved and for what ther achievement signifies for humanity.

The South African people have succeeded in overthrowing decades of domination and exploitation based on the dark aspects of the human mind—the belief that one man is superior to another because of the colour of his skin, because he can force his will on the majority. All this has been relegated to history.

The South African people have achieved what is rightfully theirs, a country that belongs to all who live in it, and a Government that they can claim as their own based on the will of the people. The South African struggle has shown that the strength of the human spirit, the values of moral conviction, and the uncompromising struggle against domination and exploitation, are indeed formidable forces for change.

The achievements of the South African struggle are a homage to Mahatma Gandhi. It was in South Africa a hundred and one years ago that the Father of our Nation saw a link between the struggles for freedom in that country and ours. Gandhiji said, and I quote,

> "Truly speaking, it was after I went to South Africa that I became what I am now. My love for South Africa and my concern for her problems are no less than for India."

By history, circumstance or choice, about one million people of Indian origin now live in South Africa. Most of them have lived there for generations, have toiled with their South African compatriots, and contributed to the prosperity of that country. Many have also struggled shoulder to shoulder against the minority racist domination. Today they are a vibrant part of the family of the South African people. We will endeavour to reinforce the close cultural and social links with them and with the people of all races in South Africa.

We welcome post-apartheid South Africa to the comity of nations.

In recognition of the evolution of the valient struggle of the South African people, we have already established an Embassy, a Cultural Centre and a Consulate in that country, and established air links to promote bilateral trade and tourism. The ties we have forged in the long years of being in the forefront of the struggle against apartheid will stand us in good stead in developing mutual cooperation. India was in the vanguard of the anti-apartheid struggle, the first to raise in the issue in the United Nations, and we have done this because we felt it was our cause, not that of a distant